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Is It a Boom? (Page 9)

THE FINANCIAL POST

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The Canadian Newspaper for Business Men and Investors

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The Nation's Business

Civil Service No Place For Politicians

Our Chief Problem — National Finance

Largely Ignored in Election Controversy

Britain's Prosperity Due to Economy

Can Wheat Board Handle Its Job?

Mr. Hepburn Still After the Banks

Abuse of Civil Service

SOME praiseworthy appointments to high positions in the federal civil service last week are marred by preferment given to two of the "party faithful." In two cases Prime Minister Bennett has chosen as deputy ministers of major government services, men from the ranks of his own party membership in the House of Commons.

This paper has continuously fought against such flagrant abuse of the civil service. In this instance the appointments deny promotion to officials whose efficiency is unquestioned—men who have in both cases been discharging the larger responsibility for several years. Not only have these senior men been denied promotion but advancement is halted all along the line.

This country can never build a strong efficient civil service if this practice is to be followed.

Leaders of other political parties might be well advised to assure electors that these appointments will be annulled in the event of their being returned to power.

* * *

Ignoring Our Chief Problem

IN THE welter of election controversy, no party has come out and made its major plank the restoration of stability to the national finances.

The lip service paid to "budget balancing" is in direct conflict with policies upon which greater emphasis is placed, and which provide for more colossal political disbursements.

There is yet to appear a political leader who will stand or fall on a policy of curtailing expenditures, of balancing the national budget, of beginning a policy of debt curtailment, of insuring the integrity of public finances in Canada, which involves the provincial, as well as the Dominion, finances.

And yet this is the major issue public problem in Canada today. What must be done is so clear that it can hardly with reason be called an issue.

* * *

THE survey of the British economic position released by the Foreign Policy Association this week placed budget balancing as the first and most important of the policies that have given Britain two years of real prosperity.

Possibly some of our more Socialistically-minded political leaders, who seem to have so much faith in deliberate budget unbalancing as the way out of the woods of depression and financial crisis, would find it useful to recall that it was, in Great Britain, a Socialist government and a Socialist Chancellor of the Exchequer who launched recovery by restoring stability to the public finances.

Philip Snowden realized that there could be no long term economic or social progress without economy in public affairs. He battled his embittered Left Wing followers through the dark days of the May report, the emergency budget and the subsequent national election fought on the issue of a balanced budget. (And to Snowden no budget was balanced if it did not make full provision for debt retirement.)

* * *

HIS recent autobiography is filled with references to his insistence upon keeping the country's expenditures within the means of the taxpayers. Early in 1931, he says, "I was appalled at the prospect of having to make another large addition to taxation, and yet I felt that the country could not afford a budget which was not balanced."

He took the country into his confidence and said, in a memorably frank statement:

"An expenditure which may be easy and tolerable in prosperous times becomes intolerable in a time of industrial depression... Schemes involving heavy expenditure, however desirable they may be, will have to wait until prosperity returns... No class will ultimately benefit more by present economy than the wage-earners."

When he brought down the

(Continued on page 2, col. 3)

Ont. Hydro Refuses to Meet Power Bill of Maclaren Firm

Provincial Commission is Carrying Out Power Contract Violation

BONDS WEAKEN

Beauharnois and Gatineau Contracts Next on Tapis; Hydro Selling More Power

Hydro-Electric Power Commission of Ontario is carrying out the policy of repudiation of power purchase contracts inaugurated by the provincial government.

This is being done although legislation declaring Hydro's contracts to buy power from four Quebec companies has not been put in force by government proclamation.

This week, the Hydro declined to meet the bill for 27,000 h.p. of energy held available for the commission by Maclaren-Quebec Power Co. There is no intention of paying for this power.

The Maclaren firm was delivering 40,000 h.p. at the end of June and its Hydro contract called for an increase of 27,000 h.p. from July 1. The Hydro is not paying for the latter increment. The Hydro policy on the Quebec contracts will be to pay only for the amount of power being delivered by the Quebec firms prior to July 1, 1935, but to refuse to pay for increased deliveries under contracts.

Lyon Statement

T. Stewart Lyon, Hydro chairman, was asked by The Financial Post this week whether the Maclaren power bill would be paid. "No," was the reply. It is understood, however, that payment is being made for the 40,000 h.p. deliverable by the Maclaren firm prior to July 1.

Questioned about a recent report that Premier M. F. Hepburn of Ontario had stated that power purchases would be paid for until the contract dispute was settled, Mr. Lyon ventured: "I think he must have been reported badly. I'm sure he did not mean to say that."

Apparently Mr. Hepburn meant that deliveries formerly being made by the Quebec firms would be paid for, at least temporarily. There is no intention upon the part of Ontario or the Hydro, however, to accept or to pay for increased power deliveries called for by contracts.

Mr. Hepburn this week clarified his Hydro policy. "We will refuse delivery," he said in reference to additions to present contracts. He explained what The Post has reported for months: that Hydro has not transmission lines to take delivery of additional contracted power.

Beauharnois and Gatineau

Contract of Beauharnois Light, Heat & Power Co. with the Hydro calls for an increase of 67,000 h.p. in deliveries from Oct. 31. Gatineau Power Co. has a contract which is supposed to increase 6,000 h.p. on Oct. 1 next. The Hydro is expected to refuse to take delivery of these additions. Deliveries now available from Beauharnois and Gatineau are being paid for.

The Hydro is understood to be changing frequency of equipment

(Continued on page 2, col. 4)

Say W. W. Near Estate To Hold Page-Hersey

Liquidation of stock of Page-Hersey Tubes from the estate of the late president, W. W. Near, who died July 12, is not anticipated by sources close to the company, The Financial Post is informed. It is believed that Mr. Near's holdings will remain in the estate indefinitely.

Since July 12, Page-Hersey common has been inclined to softness, recently dropping below $80 a share. This may have been due to fears that lengthy liquidation might follow Mr. Near's death. The company's business has shown improvement this year.

Page-Hersey common is normally not an unusually active stock and purchase and sale of comparatively small quantities will result in rather wide price fluctuations. Thus, the effect of a large liquidation, even if effected outside the Toronto Stock Exchange, where the stock is listed, might have tended to depress the price of the shares.

ASBESTOS CORP. NET RECORDS SHARP ADVANCE

Income First Half of 1935 Almost Equal to All of 1934

NOTABLE GAINS

From Our Own Correspondent

MONTREAL.—Marked revival of interest in the securities of Asbestos Corp., and consequent rise in their market value, has been based on reports that earning power of the recently reorganized company has undergone a sharp improvement in the past 18 months.

Much buying of late is attributed to speculative interests. This has influenced the price of Asbestos common, but, on the other hand, the improvement in operations and earnings has been noteworthy.

At the annual meeting of shareholders last April, Col. Robert Massie, president, stated that the first three months of 1935 showed a considerable improvement over the same period in 1934. For the first time since the company was formed in 1926, a profit was realized in January.

Operating Profit Higher

Particulars of income for the first half of 1935, in comparison with the same period a year ago, reveal that this optimism was justified. To the end of June sales totalled $718,291 and operating profit $257,591. This was in contrast with sales of

(Continued on page 2, col. 3)

Silverwood's Puzzle

Unusual Request of Vote in the Dark Made in Notice of Annual Meeting

Departing from usual procedure, Silverwood's Dairies, Ltd., last week sent notices to holders of its shares calling the annual meeting at London, Aug. 22, without first presenting an annual report.

The unusual request was made in the notice of meeting that preferred shareholders would be asked to vote away guarantees and to sanction reimbursements without being told what the guarantees and reimbursements are.

Short Notice

Notices dated Aug. 12 were sent to shareholders, but in some cases were not received until Aug. 15. This gave only a week's notice of the meeting.

Such things are possible under the Ontario Companies Act, under which Silverwood's Dairies is incorporated. It illustrates the claim that the Ontario Act is far out-moded by the amended Dominion Companies Act.

Some criticism of the procedure in calling the meeting and asking shareholders to approve financial transactions, on short notice, without information was expressed. In a letter to shareholders, however, president A. E. Silverwood said: "We would like to have as large a representation of shareholders as possible at the annual meeting."

Extraordinary Purpose

J. H. Gillies, secretary-treasurer of the company, stated in the notice of meeting that, among other things, the assembly was for the extraordinary purpose of:

"Considering and, if approved, confirming the action of the directors in making certain reimbursements to Silverwood Securities Ltd., A. E. Silverwood & Co., Ltd. and/or A. E. Silverwood and cancelling certain dividend guarantees given by them or him, together with any existing liability thereunder."

No reason was given why shareholders should approve this carte blanche. The reimbursements and guarantees were not explained in the notice.

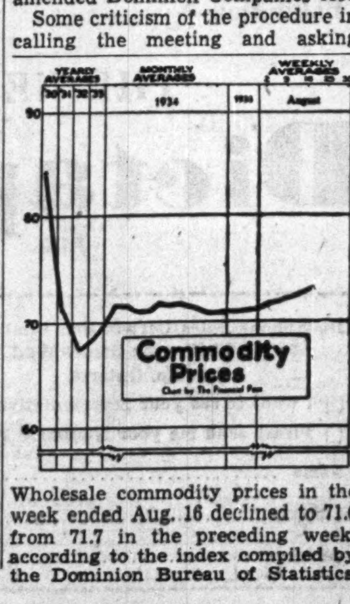
The questions arise: Were these reimbursements legal without approval of shareholders? Is it legal to ask shareholders to cancel the guarantees with only a week's or even 10 days' notice and without explaining exactly what the guarantees amount to?

Puzzle For Shareholders

Another puzzle to shareholders is what "reimbursements" were for. What were the valuable rôles played by Silverwood Securities Ltd., A. E. Silverwood & Co. Ltd., and/or A. E. Silverwood? Was the compensation for these services adequate or excessive?

Under the provisions regarding the company's preferred stock, it appears that it might be necessary to have two-thirds of all preferred shares represented at a meeting to approve legally any alteration of rights pertaining to the shares. It

(Continued on page 2, col. 1)



Wholesale commodity prices in the week ended Aug. 16 declined to 71.6 from 71.7 in the preceding week, according to the index compiled by the Dominion Bureau of Statistics.

"PETE" STOCK RISES ON NEWS OF HUGE SALE

250,000 Shares Sold by Toronto Firm for U. S. Estate

$8,500,000 INVOLVED

British and American Buyers Take Large Blocks—Liquidation One of Largest Yet in Canada

Sudden three-point jump in the stock market price of International Petroleum Co. common last week is attributed to completion of one of the largest liquidations in Canadian financial history.

Some 250,000 shares of "Pete" common belonging to an American estate was sold through a Toronto investment firm. At $34 a share, the approximate average price since mid-July, the amount involved was about $8.5 millions. Had the stock been sold a year earlier, the proceeds would have been about $1.7 millions less.

The vendor's name is not known publicly. It is understood, however, that the liquidation was not carried out for interests connected with the Standard Oil group of companies of which International Petroleum is a member. The shares belonged to a private American investor who died some months ago. He was not well known in Canada.

Sold Abroad

Largest blocks of the shares were sold to American investors and to British investment trusts, it is understood. Blocks as large as 15,000 and 20,000 shares were placed. The transactions, of course, did not appear on Canadian stock exchanges but were arranged privately.

The usual method of handling transactions of this kind is to offer blocks of shares at a discount from current market quotations. That is, with International Petroleum selling at $34 a share, the stock was apparently disposed of at prices probably between $31 and $34 a share. This offers an attraction to the prospective buyer, and it also avoids placing pressure on market quotations which might break badly if open market sale were attempted. It is believed, however, that in the case of this large International Petroleum liquidation, part of the stock was sold on the open market.

Apparently "Pete" might not have lingered at $34 a share for two or three weeks had it not been for the large block of stock overhanging the market. When it was rumored that sale of a large block of shares had been completed, the stock quickly ran up to $37.50 a share. Nearly 30,000 shares were turned over in one day in Toronto alone.

Statement Delayed

International Petroleum's long-awaited financial statement for 1934 has apparently been delayed further. It was expected in September, but may not appear until October. It will be the first published statement in the company's history.

According to calculations by The Financial Post, the report should show that 1934 net profits available for dividends were at least $1.68 a share on the common stock. Dividends totalling $2.18 were paid last year.

Dividend Prospects

This year's only dividend to date was $1.25 a share, comprised of 75 cents regular, 50 cents extra. Maintenance of such substantial payments indicates that the estimate of earnings of at least $1.68 a share in 1934 is conservative. It does not necessarily mean, however, that the full payments are currently being earned.

Investment circles expect another substantial payment to be made on the common stock in December. It is noteworthy, however, that a large portion of each dividend is being paid as an extra. This leaves room for doubt about whether the full rate can be counted on indefinitely.

208,528 Shares Of Imperial Oil Go to Workers

Employee participants in the fourth co-operative investment trust of Imperial Oil Ltd. received their stock certificates early this month, completing the subscription which was opened in 1932.

Termination of the trust resulted in distribution of 208,528 shares with a market value in excess of $4 millions. Participants actually paid about $1.6 millions into the trust. The increase in value is due partly to the company's contribution of nearly $800,000, partly to appreciation in market value of the stock over the past three years, and to accumulation of dividends.

The fourth trust had 3,557 participants all of whom have profited from the investment of earnings in the shares.

Commenting on the investment, Imperial Oil Review, the company's official publication, urges that employees retain the Imperial Oil stock and "give no heed to suggestions which may be made to exchange it for other equities or interests. Over a period of years" continues the Review, "experience has proved that those who retained their stock in the company exercised the best judgment and profited most."

—Drawn for The Financial Post by R. Kaell.

"There shall be continual peace and perpetual friendship between the Kingdom of Italy and the Ethiopian Empire..... The two governments undertake to submit to conciliation or arbitration the questions which may arise between them."

—*Italian-Ethiopian Treaty of 1928.*

PUB. SERVICE UNITS REPORT EARNINGS UP

B. C. Utility Group Gets Benefit from Better Farm Prices

WORKING CAPITAL UP

Earning trend for all subsidiaries of Canadian Public Service Corp. Vancouver, showed a substantial increase in the fiscal year ended June 30, 1934, The Financial Post is informed.

Conditions in the territories served have been beneficially stable. Improved prices for farm products received by Okanagan Valley agriculturists, where major subsidiaries operate, have greatly benefitted earnings.

Control of Nanaimo-Duncan Utilities, operating on Vancouver Island, was acquired late in 1934, and was vested in the West Canadian Hydro-Electric Corp., subsidiary of Canadian Public Service Corp. This is the first venture of Canadian Public Service Corp. outside the interior of British Columbia.

On Jan. 1, 1935, the dividend being paid on the 6½ per cent C.P.S. preferred shares was reduced to five per cent. This has improved working capital despite expansion of operations.

Subsidiaries' Financing

Important financing was done in the 1934-35 fiscal year, in connection with acquisition of control of Nanaimo-Duncan Utilities through West Canadian Hydro-Electric Corp., and to fund short-term debt. Issue of 6½ per cent debentures of West Canadian Hydro was increased $200,000 to $650,000. Also Canadian Western Telephone Co., another subsidiary, floated $150,000 of six per cent debentures. These new issues provided funds for acquisition of a 65 per cent interest in the common shares of Nanaimo-Duncan Utilities, supplied some $13,000 of working capital to West Canadian Hydro and liquidated all current loans and inter-company accounts.

Reduced revenue from Inland Ice & Cold Storage Co. was chiefly responsible for a decline of profits of Canadian Public Service Corp. in the 1933-34 year. Early this year it was reported officially that this Okanagan Valley subsidiary's storage space was fully occupied. Ice sales had been 48 per cent ahead of the preceding year's volume. This improvement is believed to have been well maintained throughout the year. Storage rates, however, were somewhat below those of recent years.

Hydro and 'Phone

There is wide investment interest in West Canadian Hydro-Electric Corp. since the six per cent first mortgage bond issue totals $1,000,000 and there is also $650,000 of 5½ per cent convertible debentures outstanding. All shares of this subsidiary, except 557 shares of class A stock, are held by Canadian Public Service.

Canadian Western Telephone Co., wholly controlled by C.P.S., reported improvement in the number of telephones in operation in 1934, and this gain has apparenly been maintained.

Liquid Position

Working capital position for the consolidated group of Canadian Public Service companies showed an excess of current liabilities over current assets of $2,472 at the end of the 1934 fiscal year. Current assets were $185,102 and current liabilities $187,574. Among these liabilities were some $77,000 of notes payable. Apparently these were paid and another $13,000 added to working capital by the issue of $350,000 of subsidiary's debentures after the close of the 1934 fiscal year.

Addition to working capital from improved earnings and reduced dividend on C.P.S. preferred shares may total between $15,000 to $25,000.

Highlights

War, Stocks, Metals

East African war scare is considered favorably by some investors. But it has weakened bonds. Page 5. It may not help stocks much. Page 11. Would war, plus industrial recovery, benefit base metals and Canada's mines? Page 14

Future of Gold

Gold may have its faults as a monetary base. But it seems likely to stick. It may, however, be used in a more elastic manner in the future than in the past. Page 9

Business Gains

Preliminary analysis by The Financial Post shows a sharp gain in Canadian business in July. Climbing through 1931 and above 1934 activity. Pages 1, 7

Stock Boom?

North America has been having a stock boomlet. Is it to be a market boom? Seers pronounce the trend skyward, but there are dark clouds and rumblings of bad weather to be considered. Page 9

Silver Emergency

Only frantic buying by the U. S. treasury staved off further collapse in silver prices. Extraordinary aspects of the silver picture analyzed. Page 14

Dole Insurance

Canada's Unemployment Insurance Commission will first have to deal with the official dole. Then it may take over national administration of relief handouts. Page 8

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MIXED VIEWS GREET PLAN FOR HOUSING

Few Companies Approve Government Contract as Yet

DETAILS AVAILABLE

Mixed reactions have greeted distribution among trust, loan and insurance companies of the government's contract to implement the new $50 millions housing scheme.

A few companies have indicated their approval of the contract. Others are awaiting action by their directors before deciding policy. Still others have definitely decided against approving the contract in its present form and are hoping for further changes. One company expressed the view that discussion of such changes might be delayed until after the election so as to avoid any political bias to the discussions.

Inspection Provision Queried

One criticism of the contract in its present form is that it involves too much red tape which definitely mitigates against its effectiveness. An instance cited is that the government is demanding strict supervision of any construction undertaken under the plan and that such supervision is impractical from the mortgage company viewpoint.

Highlights of Plan

1. Loans available only for new house construction after July 5, 1935. Houses include single dwellings, duplex or apartment structures.

2. Loans available up to 80 per cent of value of structure (including cost of building, land, legal expenses, etc.) of which the Government share is two-fifths; loan company share three-fifths. Loans of smaller percentage may be made and the proportions of the loan varied where borrower can provide more than 20 per cent equity. On speculative building, 25 per cent of amount is withheld until structure is sold. Applications for loans may be made direct to any companies which approve government contract.

3. Mortgage will be joint between the Government and the loaning company will run for 10 years. It will provide for monthly payments to cover interest on loan repayment of principal and estimated taxes on property. Government advance will be at three per cent rate, netting borrower loan at not more than five per cent.

4. If loss is incurred which is more than two-thirds amount originally advanced by lending company, two-thirds of loss will be borne by government; one-third by lending company. These ratios are reversed if loss is less than amount advanced by loaning company.

Dominion Stores Decline In Sales Lowest In Year

Decline in sales of Dominion Stores which has been marked for three years may now be slackening. In the four weeks ended Aug. 10, sales were $1,313,961, compared with $1,372,530 in the comparable 1934 period. This is a drop of $58,569 in volume, or 4.27 per cent. It is the lowest decrease experienced in any four-week period in the past year.

The company was operating 21 fewer stores in the four-week period than in the comparable 1934 weeks. The management had been expecting its poorest experience in the summer. Rising sales are expected later in the year.

With the discontinuation of dividends this year, there is some encouragement for shareholders in the fact that many non-recurring charges have been deducted from earnings. While the result is that net profits have been small, or absent entirely, this policy is expected to allow improved earnings if and when sales improve.

JULY BUSINESS SETS NEW PEAK FOR RECOVERY

Index Now 48 Per Cent Above Depression Low

EXCEEDS 1926 LEVEL

Rise Featured by Gains in Construction and Iron and Steel — Trade More Active

Canada took quite a fair-sized stride on the road to business recovery in July. Travelling in the same direction as since the beginning of this year, business conditions, as measured by The Financial Post index of business activity, advanced from 101.3 in June to a preliminary figure of 103.4. This further step brings business back to a point measurably over the 1926 level, and 48 per cent above the depression low, reached in March 1933. The figure of 103.4 is a new recovery high, and is about five per cent higher than a year ago.

Iron and Steel Active

Notable among the gains in productive activity was that shown in the primary iron and steel industry. The production of steel ingots was greater than in any month since April, 1931; a marked increase was also shown in the production of pig iron. Prospects for continuance of this activity appear bright as most of the leading firms in the industry have fair-sized orders on hand.

Meatpacking featured the advance of the food index from 84.9 to 89.6. Livestock slaughterings, on a seasonally adjusted basis, jumped up to 130.2 from 117.5 during the month. Latest available figures indicate lower flour production and lessened output of sugar, but gains were recorded in exports of cheese and canned salmon.

Cottons Aid Textiles

In spite of a reduced inward movement of raw wool and yarn, textiles generally registered improvement. Raw cotton was purchased in larger quantities.

Other factors directly affecting manufacturing operations included a contra seasonal gain in crude petroleum imports of 21 per cent, a marked advance in the export of shingles to the highest total of any month since the war. On the other hand there was a less than seasonal rise in newsprint production, exports of planks and boards declined sharply, imports of crude rubber were lower, and the manufacture of tires showed minor contraction.

Building Continues Gains

The contra seasonal rise in construction contracts, which in July are usually at the lowest level of the second quarter, was a development of considerable importance. After seasonal adjustment the gain amounted to 43 per cent over last month and almost 66 per cent over last July. July building permits were nearly maintained at the June level, and were well above a year ago.

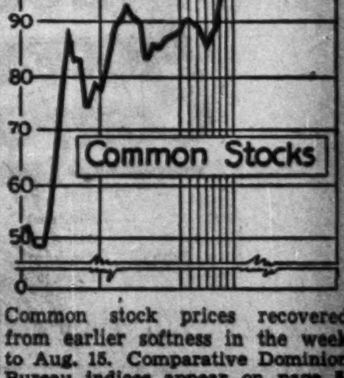
Mining contributed its share to the general improvement. Exports of nickel and zinc were at a maximum for the month, and exports of bauxite exceeded by only one July in post war history. Gold and silver shipments were off, however.

External trade was another factor that rose against the seasonal grain. Imports were up $1.7 millions and exports about $5 millions in a month that normally shows recessions.

Major Economic Factors

	July 1935	Percentage Change July '35-'34
Post business index	103.4	+ 4.9
Wholesale prices	71.5	— 0.7
Stock prices	92.4	+13.7
Shares traded, Mtl., no.	248,645	+ 4.5
Dom. bond yields	138.7	+11.1
*Bank deposits	106.1	+ 5.6
Mineral production		
Copper exports, cwt.	335,426	+58.2
Nickel exports, cwt.	122,219	+ 7.6
Zinc exports. cwt.	253,580	+32.0
Gold shipments, oz.	270,504	+ 8.5
Silver shipments, oz.	1,282,943	+28.4
Manufacturing production		
*Flour prod., bbls.	991,559	—12.1
*Rolled oats, lb.	9,223,425	— 3.5
Cattle slaughter., no.	113,407	— 6.3
Hog slaughterings, no.	191,088	+ 7.4
Raw cotton imports, lb.	9,912,771	+19.7
Cotton yarn, imports, lb.	423,820	+ 5.0
*Boot and shoes, pr.	1,619,932	+ 0.7
News. prod., tons	234,266	+12.5
Steel ingot prod., tons	86,101	+29.2
Pig iron prod., tons	50,513	+37.4
Sugar output, lb.	89,975,627	+ 7.7
Petroleum imp., gal.	133,650,600	+14.4
Rubber imports, lb.	2,954,800	—45.7
Export planks & boards, ft.	101,926,000	—27.2
Contracts awarded	$18,549,200	+65.7
Building permits	$ 4,266,224	+32.5
Carloadings, no.	194,983	+ 3.8
Imports	$48,414,397	+ 9.7
Exports	$57,786,238	+ 1.9

*Preceding month.



Common stock prices recovered from earlier softness in the week to Aug. 15. Comparative Dominion Bureau indices appear on page 5.

MEN'S SHOP

CUSTOM MADE SHIRTS

Have an Appeal All Their Own

Only the man who has worn Custom Made Shirts can really appreciate that touch of individuality and style perfection which they give.

The MEN'S SHOP is featuring an attractive array of new Shirtings, including Cotton Broadcloths, Oxfords, Zephyrs and Wool Taffetas in stripes and plain shades from England, and Poplins and Silks from France.

We invite you to call and look over our selection.

You will also be interested in our Pyjama cloths.

Custom Made Shirts $5.50 up

.50c each extra for separate collar in any style.

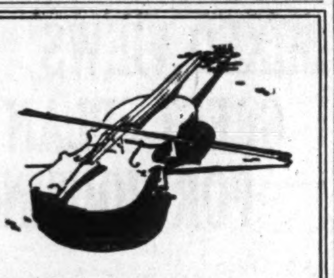
FREE PARKING WHILE SHOPPING

MEN'S SHOP

Bay Street Section

EATON'S - COLLEGE STREET

Some things improve with age . . .



BUT NOT YOUR WILL

An out-of-date will may be altogether inadequate as an expression of your wishes for the welfare of your family.

Births or deaths, acquisition or sale of real estate or securities may so alter the situation that when your will is probated, its provisions may work hardship and unfairness to those whom you seek to benefit.

In reviewing your will, consider the advantages of modern trust service to conserve and protect your estate. We shall be glad to explain their practical applications to you.

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393 ST. JAMES STREET WEST — MONTREAL

The Nation's Business

(Continued from page 1)

emergency budget it provided for annual economies of £70,000,000.

• • •

A BALANCED budget for Canada is not only necessary but it is possible. It looked impossible for England but it was produced and it started the nation on the road to prosperity.

In 1930 balanced budgets for the Australian Commonwealth and the several states looked impossible. That Dominion "down under" was one of the world's darkest spots. But Australia set out to balance all governmental budgets and is making amazing strides toward that goal. The Commonwealth has just shown a surplus and the aggregate state deficits have been cut to £3,765,000. But before showing this aggregate deficit the states set aside £4,600,000 for sinking funds. According to our present-day Canadian standards the states showed large surpluses.

Surely Canada's chief problem calls for a major statement from each of the political leaders; for uncompromising undertakings to balance the federal budget and to reorganize the relations of the Dominion and the provinces to insure financial stability in every province as well.

• • •

New Deal Needed For Wheat Grower

WHATEVER New Deals Mr. Bennett has provided in other directions, he has given none in connection with handling the country's wheat problem. Not only has he established John I. McFarland as head of the Canadian Wheat Board, but he has placed on the advisory committee of that Board four Wheat Pool directors who have continuously been in office as directors of Canadian Co-operative Wheat Producers, both during Mr. McFarland's term of office, and prior to that time, when the Wheat Pool was getting into difficulties. He has given Mr. McFarland as colleague D. L. Smith, who was first Sales Manager and then London representative of the Wheat Pools. These appointments cannot be well regarded by the country.

Canada needs not only a new policy in the sale of the country's wheat, which Parliament, by the Act creating the Wheat Board, endeavored to supply, but a new type of direction of that policy, which those associated with the errors of the past cannot be expected to supply. Such appointments as have been made run directly contrary both to the needs and the desires of the country, and to the intention of Parliament embodied in the Act.

• • •

IT IS true that the wheat problem has been partly solved by the disaster from rust which has overtaken much of the western crop, but Mr. McFarland and his associates are as little entitled to credit as to blame for that development. The direct cost to the country of the errors made under their administration has been lessened, but the real cost, in lost markets, and in cumbersome carry-over interfering with the satisfactory selling of the short crop being harvested, remains.

A year ago Mr. McFarland sought justification for the course pursued under his dictatorship in a prediction that Canada would sell practically all her wheat during the crop year just closed. Last February he predicted a carry-over of 87 million bushels. A little later he declared 127 million bushels to be the possible carry over. When he was astray by well over 100 million bushels as to the quantity of wheat he could sell he cannot expect the country to place a great deal of reliance on his judgment.

Mr. McFarland conceived his former task to be to maintain the market price for Canadian wheat, and he was quite prepared to follow that line even if it inevitably led to an enforced reduction of wheat acreage on western farms. His present task is to see that Canadian wheat is re-established in the markets of the world. The newly appointed Board must see that Canada does not again miss its market, must see that this year of short production gets the Canadian wheat surplus down to manageable proportions. If it does not and cannot do that its term of office will be a short one, in spite of the permanence of tenure that seems to be provided for by the act appointing it.

• • •

Hepburn Unfair In Attack on Banks

ONTARIO'S Premier Hepburn is saying many things in the election campaign that the federal Liberal leader, Rt. Hon. Mackenzie King, would be too honest to say.

Last week Mr. Hepburn said of his recent $20,000,000 provincial loan, "I had confidence in the people. I made an appeal to them and I got the money."

Mr. Hepburn knows better than any man that this statement leaves an impression that is quite false. He may have had confidence in "the people" and he may have appealed to them but he got the money from the financial institutions of Canada.

He has never given figures of the distribution of that loan. Rather he has sought time after time to create the impression that, despite the resistance of the banks he was able to sell his bonds in small lots to small investors, to the "man on the street."

Let Mr. Hepburn publish the figures. If the information which The Financial Post has been able to compile from the best available sources is correct—and we believe it is—approximately 98 per cent of that loan was subscribed by the insurance companies, trust companies, loan companies, mines, industrial corporations and banks operating in Ontario. Not more than $400,000—and probably much less—was subscribed in small amounts.

Mr. Hepburn attacks and bludgeons the banks and other financial institutions of Canada, forgetting that they are but trustees for the people just as is his government. When they urge him to be more business-like in his methods, he accuses them of selfish attack upon himself and his government. When they rally to his support—not because they like or dislike him—but because they realize better than he does the necessity of keeping governmental finance on an even keel—he still attacks them unjustly and mercilessly.

Bennett Appointments Key to Future Policy

Believe Conservative Leader Paving Way Toward National Government

From Our Own Correspondent

OTTAWA. — The complete roster of appointments made by the Bennett Government in the past ten days contains departures and promotions of national importance. Indeed, the complete slate is almost as significant for what it omits as what it contains.

Four Young Men

As for the cabinet, five of the old hands have stepped down and four younger men have been promoted.

Hon. W. G. Ernst, of Lunenburg, N.S., has been given the portfolio (unfilled for some time) of fisheries. Hon. G. R. Geary, of Toronto, replaces Hon. Hugh Guthrie as minister of justice. Hon. Sam Gobeil, of Compton, Que., replaces Hon. Arthur Sauve, as postmaster general. Hon. J. Earl Lawson, of Toronto, takes the place of Hon. R. C. Matthews as minister of national revenue.

The fifth portfolio—that of marine—remains unfilled. It was held by Hon. Alfred Duranleau of Montreal until his appointment to the bench.

National Government

In all this, it is obvious that Premier Bennett has not greatly strengthened his cabinet in so far as the country is concerned. And this, undoubtedly, is one of the cases where the absence of outstanding appointees is of significance.

It is well known at the capital that while Mr. Bennett for a time considered seriously the importation of leading business and professional men into the government, he abandoned that plan. He did so for the reason that he proposes to tell the country, bluntly, that a truly national government is essential to the solving of the great problems which now bar the road to recovery.

Keep It Simple

To have brought into his government men who could not readily have been replaced would have made the formation of such a ministry—in the event of Mr. Bennett's return to power—difficult if not impossible. But with the cabinet as it now stands, the task of reorganizing will be simple.

He is definitely unlikely to disturb Senator E. N. Rhodes in the finance department until after the election. This will be a key portfolio in any national administration and will almost certainly be left where it is until the larger policy can be put into effect.

Civil Service Changes

The more important appointments relate to the civil service. While the list is marred by the preferment given, in two cases, to the party faithful, several promotions of significance have been made.

In the Finance Department, the long standing vacancy of the assistant deputy ministership has been filled by the selection of B. J. Roberts for that post. Mr. Roberts who entered the Finance Department in 1917 has worked his way up from the bottom rung of the ladder. He began as private secretary to Sir Henry Drayton and was later appointed secretary of the department and comptroller of government guarantees. Used extensively by numerous commissions, such as the Tariff Commission of 1920, the Transportation Commission of 1932, the Banking Commission of 1933, Mr. Roberts has obtained a broad grasp of the financial and economic problems facing the country.

Newspaper Man

In the beginning he was a product of Toronto University and, also, of another type of university whence many leading business executives of today graduated—the editorial department of a newspaper. Mr. Roberts put himself through university working for The Financial Post in the years when its editor was John Appleton, now secretary of the Dominion Mortgage and Investments Association.

As assistant deputy minister he is now second in the department only to W. C. Clark and, being still on the right side of 50, should ultimately succeed to the key position in one of the most important departments of the government.

Break With Tradition

In selecting Charles H. Bland as the chairman of the Civil Service Commission, Mr. Bennett has broken all precedents and has done more, at one stroke, to banish patronage from the government service than any other government since Confederation.

True, Mr. Bland is in no sense the type so often advocated and described as a "Sir Henry Thornton of the service," but he is himself a civil service man who has come to the top through the Civil Service Commission in which he has held numerous positions, beginning with that of chief examiner in 1921. The chairmanship has invariably been regarded as the just reward of long political service and Mr. Bland's appointment is a clean break with the tradition.

National Parks Appointee

Three deputy ministers have also been appointed. James Wardle, outstanding civil engineer and builder of practically all the roads in the National Parks, has been made deputy minister of the interior. In selecting Mr. Wardle, the prime minister passed over a dozen senior men and there is much evidence of disappointment and bitterness on their part.

But Mr. Wardle's abilities cannot be gainsaid and, more important the prime minister in making the selection has changed the direction of this department. Obviously it will now devote itself chiefly to the National Parks and unorganized territories, the many other activities hitherto being carried on tending to sink into insignificance.

Fail to Merge Departments

In this regard, it is true, it might well have been that the interior department, which flourished during the years when western natural resources were administered from Ottawa, should have been suppressed and the remaining services merged with other departments. Whatever there is of real criticism at the Capital is along this line. Reorganization of government services has been made more difficult.

Political Appointees

Appointments of R. K. Smith, Conservative member for Cumberland, to the deputy ministership of marine, and of J. A. Sullivan, member for St. Ann, to the deputy postmaster generalship, are in keeping with political tradition but are evoking severe criticism from the rank and file of the service. In both cases men without intimate knowledge of departmental work are placed in command of major government services. In doing this, the government has denied promotion to officials whose efficiency is unquestioned, men who in both cases have been discharging the larger responsibilities for several years. Not only have these senior men been denied promotion but advancement has been halted all down the line.

Actually the posts of deputy ministers have always been regarded at Ottawa as being legitimate party spoils. They are at the top of the patronage list. The record of the past 20 years however, throws grave doubt on the desirability of handling public business in this way. It is being noted at Ottawa that the public reaction to these appointments, even in staunch Conservative newspapers such as the Ottawa Journal has been distinctly unfavorable.

Tariff Board Secretary

A lesser appointment but one of interest to business men is that of James R. MacGregor to the post of secretary to the Tariff Board. For many years Hector McKinnon, tariff expert of the finance department, has held this position in addition to his own. Mr. McKinnon was the secretary of the old Tariff Board presided over by W. H. Moore and has acted in that capacity to the present commission since its inception.

Now he turns over the secretaryship to Mr. MacGregor who has been private secretary to Hon. E. N. Rhodes since he took the portfolio of finance. Mr. MacGregor is a Nova Scotian, having been born at Westville, in the coal area. He has worked since 'teen age, beginning his business career as a water boy in the mines. Subsequently he became a reporter on the Evening News of New Glasgow and finally the general manager of the Halifax Chronicle. From the Chronicle he came to Mr. Rhodes. He is 46 years of age.

SILVERWOOD'S PUZZLE

(Continued from page 1)

also appears that at least 75 per cent of those present would have to favor alteration of the rights of preferred shareholders. These apparent protections would seem to indicate that if the guarantees are cancelled it would be with the strong approval of the preferred shares. It is questionable whether a similarly large vote is necessary to approve reimbursements to A. E. Silverwood (and/or) & Co.

Votes and Dividends

Preferred shareholders are entitled to elect two directors. This provision has not changed although dividends on the stock are now 9½ per cent in arrears.

Dividends on the company's preferred shares were discontinued April 1, 1935, after having been paid partially, at four per cent, for two years. Reason for the discontinuation was that the company had to incur a bank loan of $125,000 in paying for purchase of a plant from Willard's Chocolates this year. This loan has been reduced to $35,000 and has absorbed a substantial part of earnings. When the loan is repaid payments may be resumed on the preferred.

In his letter to shareholders, Mr. Silverwood states net earnings available for preferred dividends were $148,361 in the year ended March 31, 1935, compared with $105,221 in the preceding year. This is the equivalent of $5.08 on each preferred share, compared with $3.61 a share earned in 1933-34.

Shareholders' Position

Shareholders have not been happy since the preferred dividend was discontinued entirely, although they were not so much disturbed when receiving four per cent. There is no shareholders' committee through which the investors can unify their views. Nor is there a provision whereby they can control the board or the company without the assistance of common share votes which hold control. There is not even a firm of security underwriters who might act to assist preferred shareholders, since the stock was issued mostly by the company itself or its agents.

ASBESTOS CORP. NET RECORDS SHARP ADVANCE

(Continued from page 1)

$575,021 and an operating profit of $47,859 for the first half of 1934.

After taking into consideration miscellaneous income and deducting expenses, there was $171,337 available in the first half of this year to take care of interest on underlying bonds, depreciation and sinking fund, whereas in the same period last year there was a deficit of $33,354.

Particulars of the profit and loss account for the first half of 1935 together with the comparative figures for 1934, follow:

January to June	1935 $	1934 $
Sales	718,291	575,021
Operating profit	257,591	47,859
Miscellaneous income	10,998	11,217
Net earnings	268,589	59,076
Less: Expenses	97,252	97,429
Net income	171,337	*33,354
Less: Interest on underlying bonds	21,018	23,472
Def. depreciation	62,500	102,289
S. F. requirements underlying bonds	10,700	......
Avail. for gen. mtge. int.	77,039	*159,114

*Deficit.

The foregoing shows that even allowing for the lower depreciation reserve and the provision for sinking fund requirements on the underlying bonds, net income available for interest on the general mortgage bonds was $77,039, an improvement of nearly $200,000 over the first half year's results in 1934.

The betterment in the company's earning power is all the more impressive considering the fact that ordinarily the greatest earning period is the last half of the year. Comparing returns for the first half of this year with those for the last half of 1934 net earnings were only about $33,000 less. With a normal trend of business to the end of the year, net income for 1935 should be well ahead of 1934.

Should Exceed 1934 Net

For the whole of last year Asbestos Corp. reported net earnings from sales of $148,869 and from investments $21,975, making a total of $170,844, or less than earned in the first half of 1935. Allowing for a credit adjustment of $73,364 there was a deficit of $69,482 after provision for interest on the underlying and general mortgage bonds and $125,000 for depreciation. This was considerably better than in any of the previous four years.

Provided sales continue favorably in the last half of 1935, net income available for interest on the general mortgage bonds this year may be sufficient to cover interest on the general mortgage bonds.

ONT. HYDRO REFUSES TO MEET POWER BILL OF MACLAREN FIRM

(Continued from page 1)

from 25 to 60-cycle at its Chats Falls plant on the Ottawa River. The significance of this is that it appears to be a preparation for non-acceptance of additional energy from Gatineau Power Co. Hydro requires 60-cycle power for its eastern Ontario users.

Mr. Lyon merely commented: "That's a matter for next October," when consulted by The Post on policy regarding the Beauharnois and Gatineau contracts. It is practically certain, however, that the power, and payment for it, will be refused.

The increase of 6,000 h.p. in the Gatineau Power Co. contract which may be refused by the Hydro on Oct. 31 is of only minor significance to the company. Interruption of increases in the Beauharnois contracts with Hydro would be likely to interfere with interest payment scheduled for 1938 on the five per cent collateral trust bonds of Beauharnois Power Corp. Interest on 5½ per cent mortgage bonds of Beauharnois Light, Heat & Power can be covered as long as present deliveries of 129,000 h.p. to Hydro are paid for.

Maclaren-Quebec Power 5½ per cent first mortgage bonds dropped more than three points early this week on expectations that the company's bill for the July power increase would not be paid. On Aug. 19, one issue of the bonds was quoted 71½ bid, 73 asked. By the afternoon of Aug. 20, sales had taken place at 69, and the bid was about 68½, the offering at 69½.

Non-payment for increased power supplies for the Ontario Hydro is embarrassing for Maclaren-Quebec Power Co. The parent company, Maclaren Power and Paper Co., showed first mortgage charges barely covered after all deductions last year. Revenue from James Maclaren Co., newsprint subsidiary, plus payment for 40,000 h.p. from the Hydro, may still allow coverage of first mortgage interest. Any Hydro interference with the 40,000 h.p. now being paid for would be disastrous.

Hydro Takes Stand

Purchased power commitments of the Ontario Hydro-Electric Power Commission for July do not include the 27,000 h.p. increase in deliveries due under contract from Maclaren-Quebec Power Co.

Commitments for July are shown at 608,704 h.p. This compares with 608,701 h.p. at the end of June and 608,672 h.p. at the end of December, 1934.

Power Peak Rises

Month after month, peak power load of the Ontario Hydro has been rising this year. July was no exception. Primary power maximum 20-minute peak for all systems was 6.8 per cent above that for the 1934 month. This is the power which is sold at full, profitable rates.

Load of secondary power appears to have declined in July. That is, the total primary and secondary load gained less than did the primary load alone.

Comparative July figures follow:

Ontario Hydro Summary of Loads
Maximum 20-Minute Peak

System:	July 1935	July 1934	Increase
Primary Load	h.p.	h.p.	%
Niagara	805,898	765,281	+ 5.3
Eastern Ontario	90,255	85,315	+ 5.8
Georgian Bay	28,391	27,859	+ 1.9
Thunder Bay	60,845	47,051	+29.3
Northern Ont.	55,375	48,652	+13.8
Total, primary	1,040,764	974,158	+ 6.8
Primary and Secondary Loads			
Niagara	1,014,075	1,047,185	— 3.2
Eastern Ont.	117,996	85,315	+38.3
Georgian Bay	28,646	27,859	+ 2.8
Thunder Bay	102,949	82,574	+24.7
Northern Ont.	91,434	48,652	+87.9
Total, primary and secondary	1,355,100	1,291,585	+ 4.9

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Will prices advance on thru September, October into early Winter? . . .

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EST. 1923

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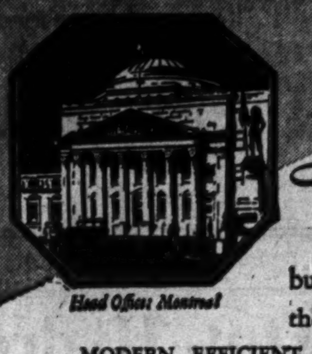

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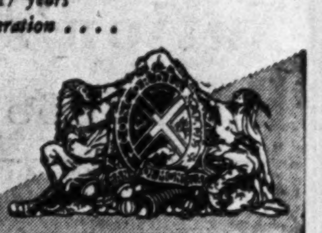

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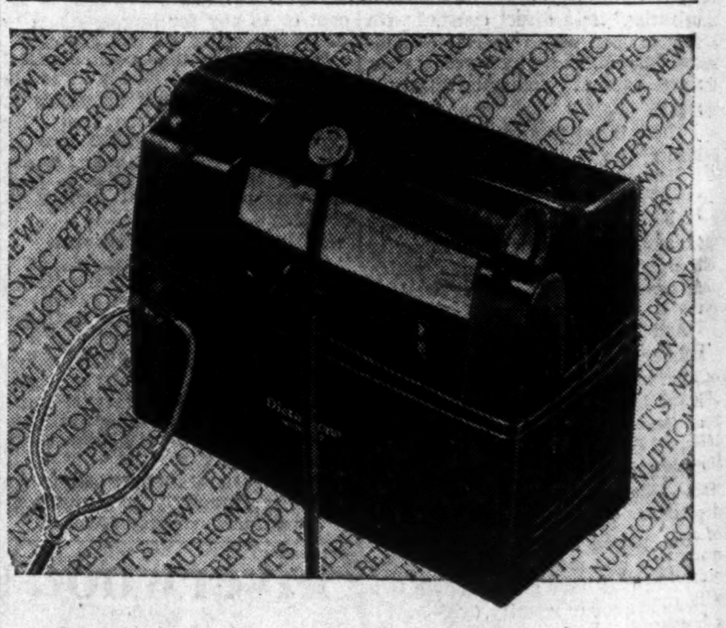

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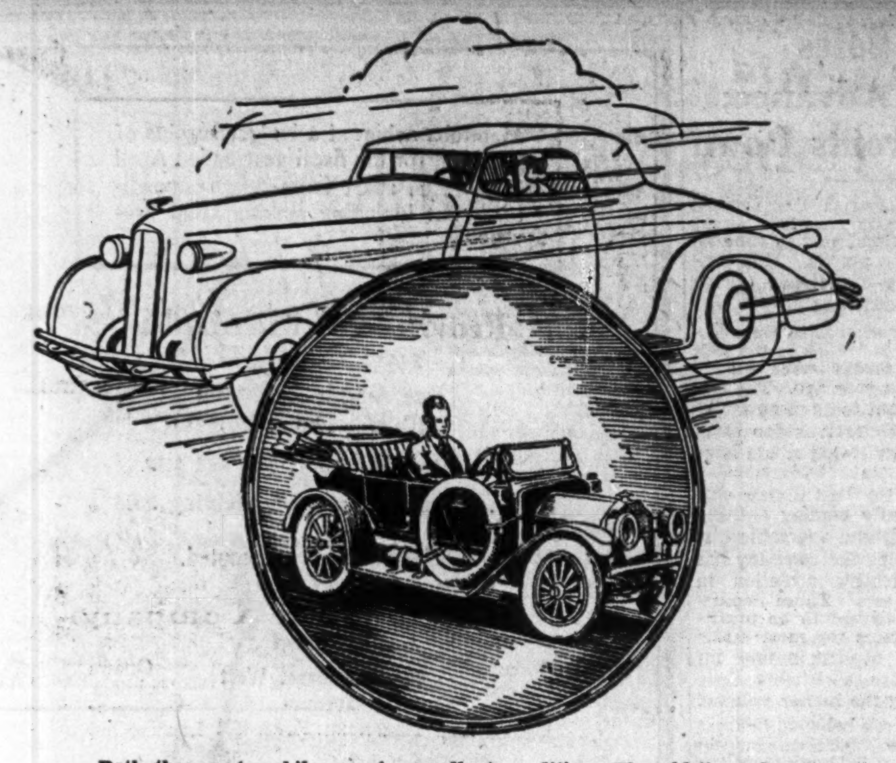
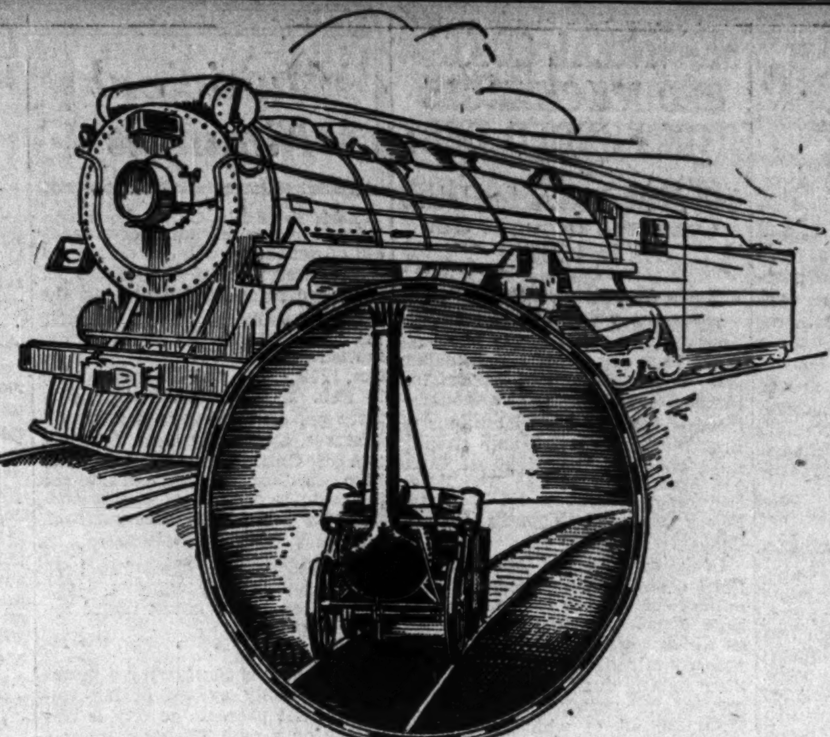


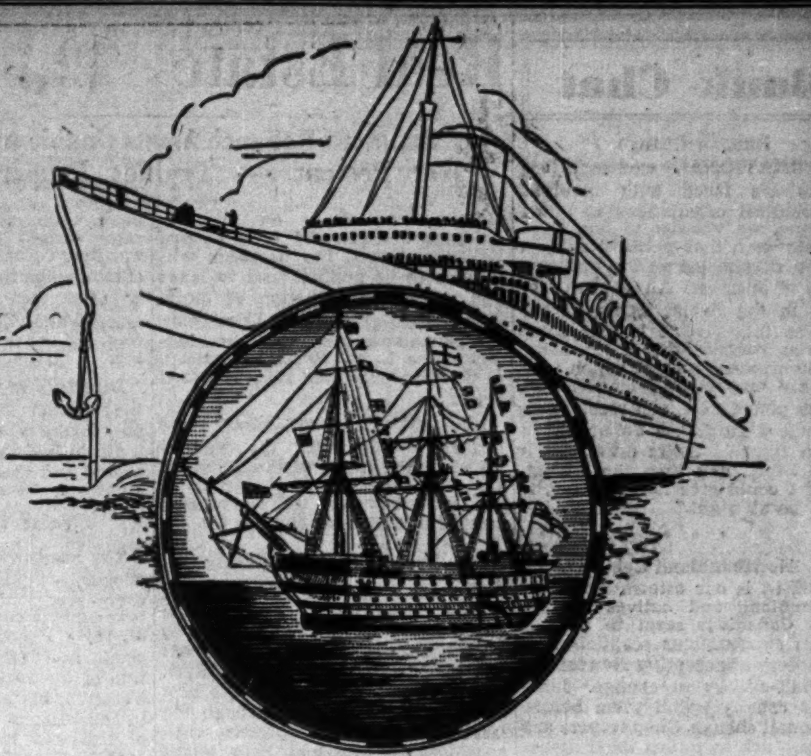
Both these automobiles are in excellent condition. The old-timer has been used by the same family for over 20 years and is still in splendid repair. But no aggressive business would allow its salesmen and representatives to use it. It stands indicted by obsolescence.

The same is true of millions of dollars worth of office equipment in use in Canadian offices today, as the accompanying article demonstrates.



Business firms might arouse curiosity by using George Stephenson's famous "Rocket" to deliver their products and merchandise—they would get few repeat orders if they waited for this antiquated steam engine to make deliveries.

There's nothing wrong with the "Rocket" — mechanically — but railway progress has rendered it hopelessly obsolete. Experts say the same is true of half the equipment used in Canadian offices at the present time.



There is no better example of the boat maker's skill than Nelson's famous ship "Victory." But it lies peacefully at anchor while the Empire's naval and commercial business speeds around the world on sleek, high-powered craft. Even the Mauretania was recently scrapped—not because it was worn out but simply because it was obsolescent.

The same is true of most business systems and machines—even those that are from five to seven years old.

Half Canada's Office Equipment is Obsolete

If Your Business Systems and Machines are Six Years Old They Stand Indicted by Obsolescence Even Though They are in Excellent Condition—Why it Pays to Investigate Modern Office Equipment

By RALPH A. RAMSAY

TUCKED away in stations and roundhouses on this continent are scores of quaint old locomotives.

Put in a few sticks of wood, or a few shovelfuls of coal, and they will still whir along the tracks. Beyond that they have no value except as museum pieces, even though they have been kept in excellent condition mechanically since the days when they excited such wonder and awe among our pioneer forefathers.

The same is true of Nelson's famous flagship, the "Victory." For upwards of one hundred years it has been kept in perfect condition by His Majesty's Navy. Its rigging and trim are ready and shipshape as thousands of British sailors who have taken their "training" aboard her testify.

But obsolescence has made of it an antique—the only alternative to the scrap heap for things that are outmoded and have no sentimental value. In the latter class was the Mauretania—still a magnificent craft—but scrapped to make room for newer ships, only a few months after losing her crown as Blue Ribbon vessel of the Atlantic.

* * *

THE story could be repeated not once but a million times. Trains, ships, automobiles, machinery, furniture—almost everything we use, goes into the discard not because it is worn out; not because it will not work, or is not useful —but because it is obsolete. Because it is replaced by something which is more stylish, which does the job better and faster. Does it more quietly, more efficiently and more cheaply.

Most of us admit this readily in such things, for example, as automobiles. We would not think of driving to business in a 1925 motor car. We usually apologize to our friends if we still drive a 1929 model. We may pride ourselves it is still "running like a charm" but we daren't run the risk of putting it alongside a 1935 model of the same make.

* * *

Obsolete Offices

BUT most business men spend relatively few hours each week in their automobile. More than half their waking hours are spent in their offices. And more than half of the equipment they use in these offices (as experts know) is obsolete.

The reason is twofold.

For one thing, most firms virtually shut down on purchases of new office equipment, about 1930. Sales of new office equipment in Canada had totalled well over the $25,000,000 mark in 1929. By 1933 they had shrunk to less than one third this amount. At the same time most firms were forced by the very circumstances of the depression to make new and searching analyses of costs in every phase of production, sales and merchandising. They were forced to keep records more than usually up to date and to do this with a very minimum of staff. All of which put a tremendous strain on existing equipment and facilities.

Meanwhile, the designers and makers of office equipment have been busy putting ideas and imagination to work. Millions of dollars have been spent on new research and new refinements. Literally scores of new machines and new aids to office efficiency have been developed. Anyone who has not been in close touch with these developments in the last few years is in for tremendous surprises. It is said without fear of contradiction that 50 per cent of present-day office equipment is obsolete.

* * *

Forty Per Cent Dividend

AND the proof of the office equipment pudding is in the eating.

For here and there you stumble across someone who has been doing a little investigating; who has found a new machine or a new system which not only saves time but does a better job, and does it much more cheaply.

One of these people is a friend of ours. His case is typical.

He happens to be the office manager for a good-sized company.

We were chatting together recently and I asked him how things were going at the office.

That started him.

He had just got his monthly cost sheets and apparently they were very good reading.

"Why?"

Well, business was a little better for one thing —best of all though, the costs in his department were actually lower than at any time since 1920.

How did that happen?

Well, this new machine. They had been urged to put it in away back in 1932 but the firm wouldn't consider the expenditure just then. So the proposal was tucked away in a drawer and forgotten. Last year though it came up again and the directors said "O.K." It had been installed now for about eight months and was actually paying a 40 per cent dividend on the investment. That was the chief reason for his good showing on the costs sheets.

I asked a few questions about the machine itself.

Almost immediately his face lit up. "Come out and see it," he urged.

"See that little notch," he said. "That's an automatic selector. In the old days all this had to be done by hand. This machine's the only one in Canada that can do a job like that. This automatic feed will handle 7,500 an hour when last year we were lucky to get 400 or 500 through."

And so on.

* * *

OR TAKE the case of another important Canadian firm. In 1929 it spent for new office equipment of one sort and another $11,000. In 1930 slightly less than that. By 1931 this had been cut to $1,600—the next year to $1,000 and by 1933 to $900.

And this particular firm prides itself on its far-sightedness. No equipment is allowed to get run down. Necessary repairs and replacements are all carefully looked after. The difference was that in 1929 and 1930 it was buying new machines to replace those that were obsolete. Then for three years it turned a deaf ear to new purchases—content to keep abreast of depreciation but let obsolescence take care of itself.

In 1934 the picture changed. Profits were in sight again and as an alert, up-to-date corporation, it was anxious to make up for lost time. In that year its expenses for office equipment jumped to $18,000. Twenty times the outlay for the previous year; 80 per cent more than in 1929. And already returns from the new equipment in 1935 have more than justified the expenditure.

* * *

Nine Hundred Million Letters

LOOK, for a moment, at the everyday business of letter-writing, of which Canadians send upwards of 2,500.000 daily.

The average business man giving dictation to his secretary achieves only 24 words a minute. By means of a modern dictating machine this figure is immediately raised to 69. Tests in hundreds of offices, large and small, have proved the accuracy of these figures. Not only that but by means of modern equipment your secretary can transcribe 35 per cent faster than if she were using shorthand—thus freeing her for other more useful duties.

Actual costs of letter writing can be cut on the average from 1½ cents to ¾ cents per line, and the cost of these installations can be saved in less than a year. Incidentally, one firm making this type of equipment sells more than half its installations to "one-man" offices, thus disproving a common notion that this equipment is only useful for the large concern.

Obviously the young man on the high stool is to be pitied. He has brains and ability but he is hopelessly handicapped by obsolete office equipment.

Alert executives are realizing that more and better work can be done at far less cost by the use of modern office equipment. The amazing developments in this field in the past few years have tapped new avenues for profit that are available to every type of business be it large or small, simple or complex. Anyone who has not kept abreast of these developments is in for tremendous surprises.

* * *

CLOSELY allied is the humble typewriter. The 1935 version of this universal staple is not only a thing of beauty but it makes notable contributions to office efficiency by its greatly increased quietness and speed. It is said that an up-to-the-minute noiseless machine will deliver 12.87 per cent more work than the old "hammer blow" variety.

This saving looms large when it is remembered that the actual cost of a machine itself is but 1.6 per cent of the expense of operating it. In other words, the stenographer's salary, supplies, rent of office space, etc., are over 62 times the actual expense of buying the typewriter itself, over a reasonable depreciation period. A further advance is the development recently of commercial writing machines designed primarily for power operation. The firm operating obsolete typewriters, therefore, is actually wasting money every day since a stenographer has to spend more of her time (which after all is the biggest cost of running a typewriter) on a machine which is obsolete.

* * *

HAVING dictated and written the letter, the next thing is to post it. Here again modern equipment is available as 1,000 Canadian firms which use mail stamping and metering machines can (and do) testify. Whether the problem involves 50 or 20,000 pieces of mail a day, important economies in time and labor with faster handling and early and more systematic mailing are assured. Blue Book figures show Canadians last year spent about one dollar on "metered mail" for every eight dollars spent on postage stamps. And the volume of metered mail used in Canada has gone steadily up each year despite the depression.

* * *

Aid to Profits

MOST firms are in business to make profits. They sell materials, merchandise or service and at the end of the day or week, or month, they add up the totals to see how much business they did. Against this they tabulate what it cost to do that business and the final result reveals the difference between profit and loss.

About sixty years ago a mathematical genius thought he could help his job along by stringing together a series of cogs and wheels into a mechanical adding machine. From that crude experiment has grown a business which now extends to machines that not only perform every conceivable kind of mathematical calculation but do the most complete and astounding feats of mechanical bookkeeping and accounting and which report sales of something like $60 millions yearly for this continent alone. No matter what your problem, these firms claim it can now be solved mechanically, so that no matter how complex or diversified your business, a press of the button or key produces accurate, speedy records embracing the innermost details of your business.

* * *

TAKE, for example, the head office problem of large distributing organizations such as chain stores.

If ordinary bookkeeping were used to keep track of the enormous stock of merchandise carried by the company it would require a corps of clerks. Accuracy would be difficult or impossible since the very size of the staff would tend to defeat this. With modern "punch card" accounting equipment it is possible for a few people not only to do the job, but keep the figures absolutely up to date and available for executive action in respect of purchases and inventories. Possibility of error has been completely eliminated and at the same time all fear of obsolescence removed since the equipment for punching, sorting and tabulating the information is leased on a monthly basis.

* * *

Wide Application

ANOTHER interesting example is the use which Canadian municipalities are making of mechanical bookkeeping machines to replace old-style manual methods of accounting. Under the old system one municipality was never able to balance receipts and estimates, despite continual checking. The first year mechanical equipment was installed the figures reconciled. The accurate check provided by the machine disclosed at once that systematic defalcations had taken place, the total of which in one year was more than sufficient to pay the cost of the installation.

Closely connected to this type of installation, particularly in the case of financial institutions, municipalities, utility companies and others that must keep accurate records of a constant stream of cash receipts, is the familiar cash register which provides positive control by receipting the main portion of the bills which constitute official receipts. Simultaneously it receipts, cuts off and deposits the stubs in a locked box.

HAND in hand with mechanical progress along these lines has gone the improvement in forms, systems and blanks to supply these machines. Here again the development dates back primarily to the introduction of the loose-leaf ledger which although reputedly originated in Babylon some 4,500 years ago really found its first modern application about 1894. As the use of this type of ledger grew, it was natural that special typewriters should be made to take care of the wide sheets. A further very natural evolution was a combination of a calculating machine with the typewriter—which gave us, in short, the modern mechanical bookkeeper.

Even a few years ago, accuracy in the forms and blanks used for this purpose was only important to a degree. Present-day machinery demands forms and systems that are accurate to as fine a point as one one-thousandth of an inch.

* * *

Saving in Overhead

OVERHEAD goes on relentlessly, whether business is good or bad. Alert executives are always interested in means of reducing it.

Printing and stationery are a fixed part of overhead, often given but little attention — the cost being frequently grouped under office supplies, recognized as a general expense. Modern office printing, lithographing and duplicating equipment will reduce printing bills materially, at the same time giving a high quality of printed material — reduce investment and loss through obsolescence. This equipment also furnishes advertising managers and sales managers with a handy means of increasing sales—pepping up agents and dealers—collecting money, etc.

Visible records (up-to-the-minute aid to present-day business) enable executives to keep in close touch with all details of their business. Enable them to accurately check fluctuations in costs, sales by territories, inventories, and so forth, and to direct production, sales and advertising efforts intelligently.

* * *

EVEN such a staple and inactive thing as the safe has been improved to an amazing degree, so that if the unexpected happens and this indispensable piece of equipment becomes subject to fire or attack, the possessor of a modern product can rest assured he is protected. It well behooves a modern business man to check up on this dormant but vital guardian of his records and wealth, to make sure it can do its work when the time comes.

Equally important is the office furniture itself. Manufacturers report price levels are lower in terms of dollar value than at any time in the past twenty-five years. Not only have important strides been made toward greater refinements and utility but prices themselves are currently at quotations which it seems doubtful can be maintained for any great length of time. This applies not only to the staple articles such as desks, chairs, bookcases and so forth, but to all types of equipment and furniture in which the vital records of a business are housed, and which (now more than ever) must be available for easy accessibility—if only to satisfy the demands of the hordes of governmental inspectors and officials which nowadays demand the innermost details of even the smallest office.

* * *

THE one lesson which would stand firm and clear out of every individual case would be the impelling one of "obsolescence."

In short, modern ingenuity, the sciences, the new metals and materials have literally swept into the discard, systems and equipment, machines and methods which were installed even five or seven years ago.

Every machine more than six years old stands indicted for obsolescence. This indictment applies to the office which has made adequate provision for depreciation of its machines or equipment, and to those which pride themselves on the excellent condition of their equipment.

It is an indictment of the nerve centre of business, which must be paid for both in customer goodwill and in PROFITS unless remedied through the medium of modern office equipment.

Better Methods for Better Business

ORGANIZED for greater service to Canadian business the CANADIAN BUSINESS EQUIPMENT MANUFACTURERS ASSOCIATION comprises the following manufacturers, well-equipped to aid in the solution of your office equipment problems:

Acousticon Dictograph of Canada, Ltd.
Addressograph-Multigraph of Canada Ltd.
Burt Business Forms Ltd.
Canadian Postage Meters & Machines Co., Ltd.
Copeland Chatterson Co. Ltd.
Dictaphone Sales Corp., Ltd.
Ditto Limited
The Ediphone (Thomas A. Edison, Inc.)
D. Gestetner (Canada) Ltd.
International Business Machines Co., Ltd.
Jos. McDowell (Friden Calculators)
National Cash Register Co., Ltd.
National Stationers Ltd. (Ellams)
L. A. Philip & Co. (Monroe & Ditto)
Remington Rand Limited
J. & J. Taylor Ltd.
Underwood Elliott Fisher Ltd.

A special display of modern office equipment is being featured by members of the Canadian Business Equipment Manufacturers Association at the Canadian National Exhibition, Aug. 23-Sept. 7 at Toronto

One of a series of articles indicating in practical fashion the amazing opportunities for good business that lie in a programme of rehabilitation for Canadian industry. These forward-looking firms and institutions are making possible this constructive series:

BELL TELEPHONE COMPANY OF CANADA
"Continuous improvement in telephone equipment has made Canadians the world's greatest users."

CANADA CEMENT COMPANY LIMITED
"Modernize with Concrete."

CANADIAN BUSINESS EQUIPMENT MANUFACTURERS' ASSOCIATION
"Organized for Greater Service to Canadian Business"

CANADIAN INDUSTRIES LIMITED
"Cellophane" Division
"Cellophane" the modern packaging medium

CANADIAN JOHNS-MANVILLE COMPANY LIMITED
"Specialists in Insulation"

COMBUSTION ENGINEERING CORPORATION LIMITED
Steam Plant Specialists
"Modernize and Save Money"

CRANE LIMITED
Valves Fittings Piping
Plumbing and Heating

DOMINION ENGINEERING WORKS LIMITED
Montreal - Toronto - Winnipeg - Vancouver
"Builders of High Grade Machinery"

C. A. DUNHAM CO., LIMITED
"Dunham Differential Heating"

FRID CONSTRUCTION COMPANY LIMITED
Hamilton, Ontario
General Contractors

GENERAL MOTORS OF CANADA LIMITED
"An eye to the future — An ear to the ground"

GOODYEAR TIRE & RUBBER COMPANY OF CANADA LIMITED
"Goodyear Means Good Wear"

INTERNATIONAL NICKEL COMPANY OF CANADA LIMITED
Nickel - Inconel - Monel Metal

LIVINGSTON STOKER CO. LIMITED
Hamilton, Ontario
"Canada's finest automatic coal burner"

NATIONAL STEEL CAR CORPORATION LIMITED
Hamilton - Montreal
"Specialists in Transportation Equipment"

THE OFFICE SPECIALTY MANUFACTURING COMPANY LIMITED
Filing Systems and Office Equipment

PAGE-HERSEY TUBES LIMITED
Steel Pipe
Genuine Wrought Iron Pipe

W. E. PHILLIPS COMPANY LIMITED
Pioneers in new applications of Flat Glass

PIGOTT CONSTRUCTION COMPANY LIMITED
Hamilton, Ontario
"Builders in Stone"

ANACONDA AMERICAN BRASS LIMITED
Rustproof Copper, Brass and Bronze

ALUMINUM COMPANY OF CANADA LIMITED
"This is the age of Aluminum"

Bank Chat

Russian Change

INTERNATIONAL exchange experts are faced with involved mathematical calculations at times, but none, we venture to say, more intricate than that performed by a Russion shopkeeper in the ordinary course of business. An English traveller in the Soviet wrote to her bank as follows: "I bought some things at Torgsin—that is the name of a government shop at which visitors only may buy. I tendered an English pound note, and received in exchange a guilder, a dollar bill, a French franc, a Swiss ditto, and a Polish Zloty, and then the woman said if I could give her a penny, it would be all right."

* * *

Newfoundland Coins

HIGH as is our esteem for Newfoundland and natives of that island, Canadians seem to have a perhaps subconscious scepticism of the wisdom of accepting Newfoundland half-dollars in change. Individuals usually spend them before other small change. Shopkeepers are equally quick to return them across the counter. Never yet has a case of refusal to accept the coins been reported, at least not to our knowledge. The shoe is really on the Newfoundlander's foot anyway. Canadian paper currency circulates on the island in large quantities. The Newfoundland coins find their way to eastern Canada in substantial amounts, especially in the summer tourist season.

* * *

Size Complex

THE view that too little money is responsible for the depression is, of course, fairly common. This belief, however, usually refers to the quantity of money. Now we learn that some superstitious people in the U.S.A. actually believe that the depression was the result of the decrease in the size of paper money. Most of us have been of the opinion that the diminution in the size of Canadian notes was all to the good. But if it will hasten our return to prosperity it is safe to say we would bear the inconvenience of bills many times the old size. Bank men will hope that the smaller sized money will not lead to a need for debunking any more depression fallacies.

* * *

Gold in Them Thar Hills

A FEW credulous Americans have recently had the impression that the U.S. Treasury is burying its gold in the foothills of Kentucky as a safeguard against gangsters or revolutionists. One hardly knows whether to credit the rumor to an enterprising tourist agency or just to regard it as more "moonshine" from the mountain folk. Or this may really be a new method of "sterilization," about which economists have been so voluble.

* * *

"Wotchamacallits"

A "WOT'LL We Call It" contest, sponsored by the American Banker to name the proposed U.S. midget money has so far evoked only "contumelious" and "objurgatory" replies. One wit, for instance, suggests that "mites" would be quite appropriate as "under the present moral degeneration of this once great and glorious country, widows are becoming more and more plentiful, and they should not be overlooked in the new distribution." Another nominates "nits" for the half cent and "lice" for the mill because "by cross breeding, this administration has produced a greater variety of fleas to pester the body politic during this hot spell than we have observed during 57 years of back-seat driving." "Andies" has also been nominated as a most suitable appellation for the aluminum pieces in honor of Andrew Mellon, Pittsburgh aluminum king.

Among other designations which have come from the cages—bank cages, of course—are chinks, jinxies, noosies, termites, tiddies, milldues and holies. If the coins are approved and issued they will probably be called still other names by the suffering public.

* * *

Staff Changes

The Bank of Montreal announces the following staff changes:

E. M. DAGG, formerly at Hamilton, to be manager at Zurich.

A. M. GILLESPIE, formerly at Ottawa, to be manager at Temiskaming.

A. A. NICOL, formerly at Medicine Hat, to be manager at Goderich.

H. R. BELT, manager of McGregor and Selkirk branch, Winnipeg, is retiring on pension at the end of this month. Mr. Belt has been in the banking business for 47 years.

Public Utility Earnings

SOUTHERN CANADA POWER

July—	1935 $	1934 $
Gross	171,014	170,227
Exp.	71,200	72,145
Net	99,814	98,082
Ten Months—		
Gross	1,770,448	1,815,535
Exp.	701,557	666,135
Net	1,068,891	1,149,400

A Conservative Investment

PROVINCE of NOVA SCOTIA

3% Fifteen-Year

Sinking Fund Debentures

(Non-callable)

Due September 2nd, 1950

These debentures are a direct obligation of the Province of Nova Scotia and are a charge upon all revenues, monies and funds of the Province.

PRICE: 99.75 and accrued interest to yield 3.02%.

NESBITT, THOMSON and Company Limited

355 St. James Street West, Montreal

Branches in all the principal cities of Canada

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Real Estate

Standard Reliance Assets Unable to Liquidate at Present — Typifies Property Slump

When realizations on property holdings are effected by Standard Reliance Assets, the proceeds will require to be applied first to taxes and second to reduction of mortgages before any further distribution can be made to preferred shareholders, states L. V. Wright, secretary, in the first published report in four years.

Standard Reliance Assets was formed shortly after the war to liquidate the assets of the insolvent Standard Reliance Mortgage Corp. and its subsidiary, the Dovercourt Land, Building, and Savings Co.

Typical of Real Estate

The story of what has happened to the rather scattered real estate holdings of Standard Reliance Assets during the depression typifies what has been occurring in real estate. The company, however, as the new report states, has come through the last few years of the depression with considerably less loss than might have been expected.

"While every effort is being made to liquidate the assets of the company as opportunity arises," says Mr. Wright, "the prevailing conditions are still such that it is impossible to realize any substantial amount from the sale of assets until conditions improve."

Rentals Decline

Chief assets of the company are the Yonge Street Arcade and other downtown office buildings in Toronto. Even in normal conditions such properties are illiquid and in this particular case the buildings are mostly old or obsolete although the lands have substantial potential value. Sale has been impossible in view of depressed real estate conditions.

Until the depression became pronounced, the properties produced substantial net income to the company. The depression, however, reduced earning capacity of the tenants so that they are now paying reduced rents. This applies not only to the company's properties but to space in downtown Toronto generally. Hence, where rentals of $122,700 were received by the company in 1930 only $59,700 was obtained from the same properties in 1934.

Costs Inelastic

While rentals have fallen by over 50 per cent, costs of maintenance have not been reduceable in anything like the same proportion. Charges for insurance, heating, repairs, taxes, and mortgage interest rates cannot be reduced readily. Further, Toronto's tax rate has been climbing and this has only been partly offset by reductions in some assessments. The properties, therefore, are not at present self-supporting.

Directors of the company are of the opinion that a slight increase now being shown in gross rentals indicate that the low point has been passed and that a gradual improvement may be anticipated.

Values and Mortgages

The company values its improved properties at $1,125,000 against which there were mortgages and unpaid taxes amounting to $353,669 at Dec. 31, 1934. Recent sale of certain real estate, however, may enable liquidation of the $41,830 of overdue taxes. Vacant lands are shown at $245,266 in the balance sheet. These consist of scattered holdings mostly adjacent to Toronto, and represent the unsold portions of extensive holdings most of which were sold some years ago. Such property has been unsaleable in recent years because of the scarcity of new building.

Mortgages and agreements receivable total $901,208 in the balance sheet. Mr. Wright explains that advances made by Standard Reliance Assets to protect equities in properties have been recovered from sales along with further substantial portions of the original investments. Some income from these agreements was not taken into the company's earnings but was set up in a special account. Since 1932 interest and tax charges on the properties have exeeded the revenue from them and this loss has been charged against the special account created. The balance of the fund stands at $113,700, but is not taken into the balance sheet. Unpaid taxes against these properties amounted to $40,766 at the end of 1934 but it is expected these will be substantially reduced by recent sales of certain properties.

Included among mortgages and agreements receivable is $352,000 from Saskatchewan mortgages. This is a credit obtained when one Martin was unable to meet obligations in connection with purchases from the former Standard Reliance Mortgage Corp. While a considerable amount has been realized on this land, conditions in Saskatchewan have been such as to make it problematical as to what any ultimate realization may bring.

Rural Banker's Defense

Editor, The Financial Post:

In the bank column of your issue of Aug. 3 you quote a branch manager as saying "After being in Blankville a couple of years I begin to wonder what all these small town fellows do with their time." This remark might be understandable if coming from a city manager but it seems extraordinary that any man could spend two or more years in a country branch without finding the answer.

The real problem of most managers, except during occasional slack periods of brief duration, is to find sufficient time in which to attend to the many outside duties and responsibilities thrust upon them and still manage their branches. There is a lot of truth in the occasional complaint of a manager that operating his branch has become practically a side line.

Many Outside Interests

There are few men who, on assuming charge of a branch, adopt the attitude that as they are likely to remain in that place only a few years why bother with outside interests and community affairs. Whether a manager enters into local affairs for the sole purpose of getting business, or because he is genuinely interested in the town and its various activities, the result is the same. Before very long he finds himself occupying positions of responsibility and taking a keen and active part in the many clubs, organizations and community affairs that exist or which he may be largely responsible for creating. This does not mean that the banker is an easy mark and allows himself to become the goat for every local activity. Rather, knowing that he has the experience and training to handle these jobs, he accepts appointments unwillingly in order that some enterprise or recreation in which he is particularly interested may be given the energy and leadership that it deserves and requires.

Routine Takes Time

Another point that your correspondent may have overlooked is the matter of reduced staff and the necessity of managers spending most of their daytime hours in routine branch work, leaving little time during the day, at any rate, in which to wonder how it might be spent. A lot of valuable time is taken up—perhaps wasted—in interviews with customers. It must not be overlooked that a country client takes three times as long to state his case and transact his business as the city business man. If time is taken off in the afternoon for golf, tennis or other recreation, it becomes necessary for a manager to return some time during the evening to duties which only he is authorized to perform, and to type with unskilled fingers his H.O. and other correspondence.

Of course some managers can so systematize their work, or delegate it to overworked subordinates, and deftly cut short interviews with long winded clients, that they actually have time on their hands during the way. Or they may be the sort found in every walk of life who never seem able to find anything pleasant or profitable to do and who are always at a loose end.

The average manager, however, is not faced with this problem, and when everything else fails he merely reads to keep informed in his profession or to improve his mind.

COUNTRY BANKER.

Nova Scotia.

BANKS CLOSE EIGHT CANADIAN BRANCHES

Total Branches 3,639 at July 31 Including 9 of Bank of Canada

Closing of four branches and four sub-branches of Canadian banks is announced in the August bank directory.

At July 31, total branches of Canadian banks were 3,639. Of these, 3,490 were in Canada, 25 in Newfoundland and 124 elsewhere. The total includes nine branches of the Bank of Canada, one in each province of Canada. Ontario really has two branches, if the Ottawa head office be considered as such.

Closings reported are:

Branches Closed

Place:	Bank	Date Closed
*Brantford (East End)	Commerce	July 31
Dundurn, Sask.	Royal	July 31
Regina (Albert & Dewdney)	Royal	July 31
*Ste. Etienne, Que.	Provinciale	June 29
Toronto (Parliament & Dundas)	Commerce	July 31
*Val David, Que.	Nationale	June 29
*Val Morin, Que.	Provinciale	June 29
Vancouver (Oak St. & 16th Ave)	Royal	July 31

*Sub branch.

MONTREAL COKE REDUCE CHARGES ON FUNDED DEBT

Sell New Bonds to Retire Old Issue Brought Out in 1927

From Our Own Correspondent

MONTREAL.—Further evidence of the refinancing plan of Montreal Light, Heat and Power Consolidated, and subsidiaries and associated companies, is seen in the announcement of the sale of $3.4 millions of first mortgage serial and sinking fund bonds of the Montreal Coke and Manufacturing Co. The latter is jointly controlled by Montreal Power and the Koppers Co. of Canada.

In the early part of 1927 Montreal Coke made a public offering of $4 millions of 5½ per cent first mortgage bonds, principal and interest on which were payable in Canadian and American funds. Since that time sinking fund operations have reduced the outstanding issue to $3,457,000, all of which are being called for redemption at 102.

More Favorable Basis

In order to provide the necessary funds for this operation, the new issue of $3.4 millions has been sold by Collier, Norris and Henderson. The new bonds differ in many respects to the issue being called. Both principal and interest are payable only in Canadian funds. The bonds are issued in two blocks. The first, amounting to $1.2 millions, carries a coupon of 3½ per cent and matures from 1936 to 1940 at the rate of approximately $250,000 annually. The balance of $2.2 millions carry a four per cent coupon and mature in 1937.

As a result of this new financing, Montreal Coke and Mfg. Co. will effect a saving in interest charges on its funded debt.

MONTREAL HARBOR LETS BIG CONTRACTS

Nearly $600,000 to be Spent on Improving Facilities on Waterfront

From Our Own Correspondent

MONTREAL.—Contracts for Montreal harbor improvements, involving an expenditure of approximately $587,000, have been let to various contractors.

Reconstruction of the wharves above Laurier Pier, designated as sections 40, 41 and 42, will be carried out by A. Janin & Co., whose tender of $526,975 was accepted.

The wharves which are to be rebuilt were constructed in 1871 and at present are in a dilapidated condition. They were originally 24-foot berths, but the lowering of the water levels has reduced the depth to about 21½ feet; when the reconstruction work is completed the new berths will be 35 feet.

The second contract awarded was for filling on sections 38, 39 and 40 at a cost of $60,000. This work will be carried out by H. J. O'Connell Ltd.

The filling in of these sections is required in order to raise the track of the Harbor Commission railway about 13½ feet above the present level. The wharves themselves were reconstructed recently under a contract let in connection with the Public Works Construction Act.

Suburban Rapid Transit Approve Winnipeg Plan

From Our Own Correspondent

MONTREAL.—Plans for reorganization of Winnipeg Electric Co. and subsidiaries, submitted at the meeting of holders of Suburban Rapid Transit first mortgage bondholders, was approved unanimously by $356,000 principal amount of outstanding bonds represented at the meeting.

Earlier, a proposed scheme of arrangement, as it directly affected the Suburban Rapid Transit bonds had been approved, also unanimously.

There are outstanding $500,000 of the Suburban Rapid Transit first mortgage bonds.

Coke Output

The production of coke in the four western provinces during June and the first half of the current year amounted to 13,916 tons and 96,561 tons respectively, compared with 15,384 tons and 102,642 tons in 1934.

Weekly Bank Clearings

	Aug. 15 1935	Change year ago %	Aug. 8 1935 $
Halifax	$2,052,523	+ 2.9	2,258,075
Saint John	1,409,138	— 16.3	1,733,391
Moncton	632,374	+ 10.0	626,756
Sherbrooke	504,504	+ 2.7	597,832
Quebec	3,705,634	+ 7.1	4,934,901
Montreal	73,415,670	— 2.6	79,326,249
Ottawa	14,777,542	+274.8	22,042,477
Kingston	493,065	— 7.4	556,898
Peterborough	577,027	+ 6.7	532,222
Toronto	91,180,757	— 4.3	89,273,763
Hamilton	3,314,279	+ 6.3	3,755,128
Kitchener	804,203	— 22.3	924,121
Brantford	760,600	+ 4.5	773,548
London	2,232,165	+ 5.8	2,304,852
Chatham	391,458	— 6.6	334,826
Windsor	1,902,141	— 2.0	1,712,063
Sarnia	409,244	+ 14.8	483,730
Sudbury	838,540	+ 2.5	550,329
Fort William	655,381	— 8.5	700,786
Winnipeg	43,899,152	— 43.5	95,099,639
Brandon	266,355	— 0.4	291,684
Regina	2,803,649	— 0.8	4,722,480
Moose Jaw	395,682	— 1.1	655,525
Saskatoon	1,287,843	+ 15.2	1,601,940
Prince Albert	324,829	+ 26.7	355,471
Edmonton	3,331,340	+ 4.4	3,389,863
Calgary	4,150,570	— 16.7	4,892,258
Medicine Hat	217,908	+ 11.8	256,468
Lethbridge	407,021	+ 10.2	538,645
N. W'minster	604,900	+ 21.7	500,736
Vancouver	14,481,726	— 1.2	16,400,559
Victoria	1,473,381	+ 17.8	1,666,307

Foreign Exchange Markets

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Aug. 13	Aug. 14	Aug. 15	Aug. 16	Aug. 17	Aug. 19
U. S. dollar, High	.5906	1.00⅝	1.00 7/32	1.00 3/16	1.00⅜	1.00 3/16	1.00 3/32
Low	.5906	1.00 1/32	1.00⅛	1.00 1/16	1.00 1/16	1.00 1/32	1.00 1/32
1934, High	.5906	.99	.98 31/32	.98 15/16	.98 15/16	.98 31/32	.98 15/16
Low	.5906	.98 13/16	.98⅞	.98 13/16	.98⅞	.98 31/32	.98 31/32
U. K. pound	4.8665	4.99	4.99	4.99¼	4.98¼	4.98½	4.99½
Argentina	.4246	.2693	.2697	.2703	.2698	.2690	.2689
Australia	4.8665	3.9890	3.9842	3.9855	3.9772	3.9792	3.9860
Austria	.1407	.1908	.1910	.1909	.1912	.1900	.1910
Belgium	.1392	.1696½	.1696	.1696	.1695	.1696	.1697
Brazil	.1963	.0546	.0541	.0541	.0541½	.0541	.0542
Czechoslovakia	.0296	.0418	.0417	.0418	.0417	.0417	.0418
Denmark	.2680	.2228	.2228	.2230	.2226	.2225	.2230
France	.0392	.0665	.0665½	.0665½	.0665¼	.0665	.0665½
Germany	.2382	.4055	.4053	.4054	.4052	.4051	.4051
Greece	.013	.0096	.0096	.0096	.0096	.0096	.0096
Holland	.4020	.6796	.6796	.6800	.6813	.6814	.6806
Hungary	.1749	.2987	.2984½	.2991	.2994	.2993	.2987
India	.3650	.3798	.3803	.3802	.3798	.3794	.3799
Italy	.0526	.0825	.0826	.0826½	.0826½	.0826	.0824
Japan	.4985	.2945	.2951	.2955	.2953	.2948	.2957
Jugoslavia	.1929	.0232	.0232	.0231½	.0232	.0231½	.0232
New Zealand	4.8665	4.0291	4.0243	4.0256	4.0173	4.0193	4.0261
Norway	.2680	.2508	.2509	.2509	.2504	.2507	.2510
Poland	.1122	.1909	.1908	.1909	.1910	.1907	.1908
South Africa	4.8666	4.9711	4.9652	4.9668	4.9565	4.9590	4.9675
Spain	.1929	.1379	.1379	.1379	.1378	.1378	.1379
Sweden	.2680	.2574	.2575	.2575	.2571	.2573	.2575
Switzerland	.1930	.3283	.3283	.3285	.3286	.3285	.3285
Hong Kong	.5422	.5107	.4940	.4669	.5005	.4999	.4972

Municipal Finances

York Township, Ont., is endeavoring to arrange refunding of $18,134,640 of debenture debt, in default, at the reduced rates of 3, 3½ and 4 per cent, according to a report to the township council by R. C. Bertram, township auditor. The township defaulted on principal payments on Oct. 1, 1933, but paid interest in full to Feb. 1, 1935. Since then only three per cent has been paid on debentures, apparently with the sanction of Ontario municipal authorities. Creditor interests feel that the township is capable of paying considerably more than three per cent.

* * *

Les Escoumains, Que., has been authorized to pay Aug. 1, 1935, coupons on bonds issued under by-laws 40 and 42.

* * *

Moose Jaw is considering a permanent monthly system of tax collections. At present the city is collecting on a monthly basis under a tax consolidation scheme and it has been such a success that the city council is able to show a better seven months statement of its affairs. The statement reads:

	1935 $	1934 $
Bank loans, July 31	421,019	550,197
Tax collections, seven months:		
Current	318,986	245,351
Arrears	164,749	100,934
Total	483,735	346,285
Amount of levy	900,209	931,891
Curr. collected	35.43%	26.33%
Total collected	53.73%	37.16%

* * *

Ontario municipalities may be relieved of part of the cost of education, according to Dr. L. J. Simpson, provincial Minister of Education. Recently he stated: "The government will, to a large extent, take over the cost of education, thus giving relief to overburdened municipalities." How this can be incorporated into the provincial economy campaign, with Ontario's budget far out of balance, he did not explain. Municipal officials have complained for years that the government legislated for education for which the municipalities have had to pay more than they can stand.

* * *

Whitby tax arrears have reached $60,000. A. F. Pepper has been appointed a special tax collector to rectify the situation.

* * *

Chandler village, Que., has been authorized to pay May 1 coupons on by-law 8 bonds and July 1, 1935 coupons on by-law 31 bonds.

Award Canadian Bridge Co. Columbia River Contract

Canadian Bridge Co., Walkerville, Ont. has been awarded a Dominion government contract for $33,305 for construction of steel superstructure of a bridge over the Columbia River, B. C. The work is to be done for the Minister of the Interior under the Supplementary Public Works Construction Act, 1935.

Loblaw Sales Show Advance; Profits Down

Loblaw Groceterias Co. showed higher sales for the first four weeks of the current fiscal year to June 29, but had smaller profits. This conforms with the experience of the year which closed May 31.

In the four weeks, sales were $1,180,799, against $1,170,760 in the 1934 period, while profits were $49,978 against $59,123 a year ago. The figures may turn out to be of no major significance because it is too early in the fiscal year to anticipate later developments.

It is noteworthy that higher volume is apparently coming entirely from meat, fruit and vegetable distribution to which the company has devoted considerable attention in the past two years. These departments are understood to be profitable. Higher prices for most meats and expansion of distribution indicate that these perishable lines are contributing the higher volume.

Grocery lines are believed to show lower total sales. This is due largely to price changes. Reductions of the sugar tax from two to one cent a pound causes a lower dollar volume which is of no significance to profits. Then other major lines, such as tomatoes, have declined in price this year. Such changes do not necessarily mean a reduced margin to Loblaw's.

Bank of Canada Weekly Statement

Chief changes of possible importance in the Bank of Canada statement for the week ended Aug. 14 are comparatively small increases in investments. As in the preceding week, this development may indicate a tendency to venture into open market operations. Changes in deposits and the increase in the bank's loan to the government are not considered of particular importance. These changed in the statement to Aug. 21 by reason of the sale of $20 millions of government treasury bills.

Balance Sheet

Weeks Ending:	Aug. 14 $	Aug. 7 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	77,986,162	78,986,393
Dep.: Dominion	29,845,339	26,830,447
Banks	189,375,313	185,954,804
Other	46,234	840,633
Total deposits	219,266,886	213,625,884
All other liabs.	944,813	1,337,165
Total liabilities	303,197,861	298,949,442
Assets		
Reserve: Gold	180,103,155	179,907,166
Silver bullion	1,322,970	1,360,683
Res. in sterling	181,694	354,596
Res. in U. S.	12,399,807	9,704,472
Res. elsewhere	5,547	8,192
Total reserve	194,013,173	191,335,109
Subsidiary coin	344,112	336,253
Adv. to govt.	9,247,500	6,241,250
Investments:		
Dom. govt. short	16,178,237	16,175,369
Other Dom. govt.	80,620,690	80,263,177
Total invest.	96,798,927	96,438,547
Premises	119,277	119,177
All other assets	2,674,871	4,479,106
Total assets	303,197,861	298,949,442
Reserve ratio	65.26%	65.39%

Manitoba achieved a budget surplus of $159,435 for the fiscal year ended April 30th, 1935, apart from relief expenditures but including sinking fund provision.

Province of Manitoba

3½% Debentures

Due August 15th, 1949

(Callable 1946 at 100)

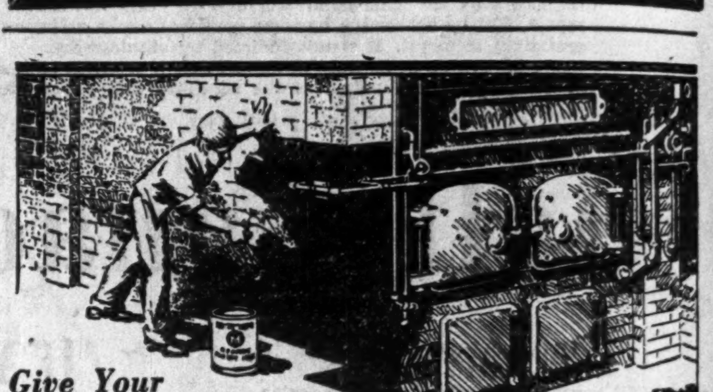
Denominations: $1,000, $500 and $100.

Price: 96.24 and interest, yielding 3.85%

Orders carefully executed.

Wood, Gundy & Company Limited

Toronto, Montreal, Winnipeg, London, Eng. — 36 King Street West, Toronto, Telephone: Elgin 4321 — Ottawa, Hamilton, Vancouver, London, Ont.



Give Your Boiler a Chance!

Murray-Made BOILER SETTING COMPOUND

Seals loose joints and porous surfaces of brick boiler settings — stopping infiltration of air into fire boxes. The saving in fuel consumption will quickly repay you for an application of this non-porous compound.

MURRAY MADE

MURRAY Protective Coatings for all surfaces

Alexander MURRAY & Company LIMITED

MONTREAL, TORONTO, HALIFAX, SAINT JOHN, WINNIPEG, VANCOUVER

Affiliated with Dominion Tar & Chemical Co. Limited

Canada Creosoting Co. Limited — Fibre Conduits, Canada, Limited

Co-operative Growers Expand

Construction of a $50,000 cold storage plant at Summerland, B.C., is planned by the Co-operative Growers Association. A grant covering 30 per cent of the total cost of the project has been appropriated by the Federal Government.

THIS MAN KNOWS METALS!

He should . . . he works with them all day long. Some people call him a plumber . . . perhaps he is . . . but he is also a heating engineer, a sheet-metal worker, a tinsmith and a ventilating expert with an excellent working knowledge of roofing.

Yes, he knows metals . . . and he knows that Stelco *Copper Bearing Galvanized Steel Sheets will last two to five times longer than ordinary galvanized steel or iron sheets. So he uses them wherever galvanized sheets are needed.

They cost about 5% more than ordinary sheets, but this man easily convinces his customers that the amazingly long life of Stelco *Copper Bearing Galvanized sheets makes them the best buy for economy.

STELCO

*Copper Bearing GALVANIZED SHEETS for

ROOFING • FLASHING • CORNICES • EAVETROUGHS • DRAIN PIPES SKYLIGHTS • CONTAINERS • GARAGES • VENTILATORS

*"Copper Bearing" is the trade term for steel containing a small percentage of copper. This copper retards the action of rust to such an extent that galvanized copper bearing steel sheets last 2 to 5 times longer than ordinary galvanized steel or iron sheets exposed to the weather.

THE STEEL COMPANY OF CANADA, LIMITED

HAMILTON EXECUTIVE OFFICES MONTREAL

SALES OFFICES: HALIFAX, ST. JOHN, MONTREAL, TORONTO, HAMILTON, WINNIPEG, VANCOUVER

WORKS: HAMILTON, MONTREAL, TORONTO, BRANTFORD, LONDON, GANANOQUE

BONDS WEAKEN ON WAR SCARE OVER ETHIOPIA

Corporation Issues Hold Except for Hydro Power Issues

Under pressure of international disturbances, Canadian gilt-edged bonds weakened in the week ended Aug. 20.

Breakdown of negotiations aimed to mollify Italy's truculent attitude toward Ethiopian matters resulted in broad declines in Italian securities and weakened gilt-edged bonds in London and New York. The effect was promptly transmitted to Canadian bond prices.

Declines of Canadian government bonds ranged to a full point in the week, most of the losses being recorded immediately following the Italo-Ethiopian breakdown. One effect was to retard distribution of the recent Nova Scotia loan. The recent Canadian loan, sold in New York, went to a substantial discount. Western provincial bonds lost up to two points.

Hydro Developments

Corporation bonds were less sensitive to the European war scare. Losses were fairly well balanced by gains. Weakness developed in bonds of Quebec power companies which have contracts with Ontario's Hydro. Maclaren-Quebec Power 5½'s were particularly soft. All this was based on the news that Hydro will not accept or pay for additional power deliveries called for by the companies' contracts.

Trend of the gilt-edged market is indicated by The Financial Post's daily average:

Average Yield and Price for Seven High Grade Canadian Bonds

1935	Yield %	Price $	1934	Yield %	Price $
Aug. 20	3.507	112.79	Aug. 20	3.749	111.03
Aug. 19	3.474	113.15	Aug. 18	3.753	110.99
Aug. 17	3.471	113.19	Aug. 17	3.753	110.99
Aug. 16	3.469	113.23	Aug. 16	3.754	110.97
Aug. 15	3.460	113.29	Aug. 15	3.757	110.94
Aug. 14	3.460	113.30	Aug. 14	3.770	110.80
Aug. 13	3.463	113.32	Aug. 13	3.785	110.66
Year's	3.367	114.97	Year's	3.373	115.00
Range	3.608	112.10	Range	4.517	102.54

Bond Sales

Dominion Treasury Bills

The Dominion of Canada has sold $20 millions of treasury bills due November 15, 1935, at an average discount price of 99.69269. Average cost of the money to the government was, therefore, 1.2223 per cent.

Nova Scotia

Province of Nova Scotia has sold $3,817,000 of 15-year three per cent debentures to a syndicate managed by Griffis, Fairclough & Norsworthy, Toronto, at 98.57, a cost basis to the province of about 3.11 per cent. Offering was made at 99¾. The issue is to refund £760,000 of 4½ per cent sterling stock callable at 100. Bids for the new loan were:

	Bid
Griffis, Fairclough & Norsworthy; C. H. Burgess & Co.; Cochran, Murray & Co.; Dyment, Anderson & Co.; R. A. Daly & Co.; Gairdner & Co.; J. L. Graham & Co.; Matthews & Co.; Midland Secs. Corp.; Nesbitt, Thomson & Co.; A. T. Ross Ltd.; J. C. Mackintosh & Co.	98.57
Bk. of Montreal; Harrison & Co.; McTaggart, Hannaford, Birks & Gordon; Royal Secs.; Hanson Bros.; Mead & Co.	98.29
Wood, Gundy & Co.; A. E. Ames & Co.; Dom. Secs. Corp.; Royal Bk.; Bk. of Commerce; Eastern Secs. Co.	98.27
Bank of N. S.; Bell, Gouinlock & Co.; Fry, Mills, Spence & Co.; McLeod, Young, Weir & Co.; Dominion Bk.; Irving Brennan & Co.	97.65

Bond Tenders

5 p.m., Aug. 26, Sherbrooke—$85,000, 3½ or 4 per cent maturing in series from June 1, 1936, to June 1, 1955; $320,000 maturing from June 1, 1938 to June 1, 1946. L. Prefontaine, asst. clerk.

Aug. 25, County of Lake St. John East, P.Q.—$35,000, 5 per cent, dated July 1, 1935, redeemable serially from Jan. 1, 1936 to Jan. 1, 1956. E. O. Hudon, sec.-treas.

Investment Notes

Flurry in C.P.R.

LAST week's flurry in C.P.R. which carried the stock to nearly $12 didn't last long. New York tipsters started to talk $15 a share for the stock when the upward move was on. Reasons were not given. Apparently the advance was caused by reports that the $48 millions of government-guaranteed bank loans would be funded in New York. Otherwise C.P.R.'s position has not changed radically. Greatly improved traffic for the remainder of this year is necessary for earnings to improve on those for 1934. London, incidentally, is willing to offer "calls" on C.P.R. shares cheaply. Britishers are not bullish on C.P.R. despite improvement of the past two years. Canadians seem more confident of the road's recovery.

* * *

Walker's Fire

TOP-LINE adjusters of companies carrying the risk on the destroyed warehouse at Walker's Peoria distillery have been investigating causes of the conflagration. Western Adjustment Co. and representatives of the underwriting companies have conferred on interpretation of the nature of the fire. That seems to be about as far as things have gone. Differences of opinion over the liability of underwriters would hardly be unexpected.

* * *

Blue Ribbon Statement

BLUE RIBBON CORP. annual statement will appear within a few weeks. It is expected to show an addition to current liabilities due to purchase of 15,001 shares of Willard's Chocolates common at $15 a share. There may be some improvement in net earnings, although this cannot be confirmed officially.

* * *

Laura Secord Earnings

LAURA SECORD Candy Shops is confidently expected to earn its $3 a share dividend in the year which closes Sept. 30. There has never been much doubt about it, as sales and profit figures this year have shown increases. Income from investments may be lower than the $70,899 of last year. All told, profits per share may not differ greatly from the $3.77 shown for 1933-34.

* * *

Implement Shares

MASSEY-HARRIS and Cockshutt Plow common have been enjoying more market attention in the past two weeks than for months. Business and prospects for both firms have improved greatly in the past 12 months. It will be some time, however, before problems created by the sharp agricultural depression can be solved. Progress, however, can be reported.

* * *

Rise of Cosmos

RISE of Cosmos Imperial Mills common to $20 a share is not believed to have major significance. The company is apparently having no difficulty in earning more than the 70-cent annual dividend now being paid. Upward move of the shares, however, is attributed to execution of comparatively small brokers' buying orders. Volume of trading has been modest.

* * *

Corrugated Box

DECLARATION of the second successive quarterly dividend of $1.75 a share on preferred stock of Corrugated Paper Box Co. verifies statements in this column to the effect that maintenance of the full seven per cent rate is anticipated. No progress is reported in regard to the scheme of some preferred shareholders to issue certificates for arrears of dividends.

* * *

For Investment or Speculation

HERE is a short list of common shares "attractive for either investment or speculation," according to Greenshields & Co., Montreal: Steel of Canada, Ford of Canada A, Noranda, Bell Telephone, Shawinigan, Foundation Co. of Canada. Brief as it is, the list offers variety.

* * *

Ottawa and Tariffs

RETURN of the Liberal party to power at Ottawa is looked upon in Montreal brokerage circles as being tantamount to a wholesale cut in tariffs to the disadvantage of those companies which are generally regarded as depending on protection for their well-being. The textile, agricultural machinery, steel, automobile and other manufacturing companies are the ones most prominently mentioned. This view has spread to those investors who take a market interest in stocks and accounts, in part, for the dullness in the market during the past few weeks.

* * *

Trend of Bank Earnings

PERSISTENTLY, month after month, it has been shown in The Financial Post that increasing investments are tending to diminish bank earnings. Although it is still fairly early in the banking year, it hardly seems likely that banks will show any important improvement in earnings this year. The plum of the year, of course, is the profit on 40 per cent of gold holdings. This windfall, however, does not come often. The low price of bank shares is simply a reflection of the difficulty of making satisfactory profits on the capital invested in banks.

* * *

Dominion Coal Subvention

SO LONG as the Dominion government coal subvention prevails, stout protection for the dividend on Dominion Coal preferred is offered. So says a circular issued by G. W. Nicholson & Co., Toronto. "There is no reason to anticipate a change," is the comment on the subvention.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel 17	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied products 18	Beverages 8	Total industrials 87	Total utilities 20	Total co's. 112
1929-34:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	225.4
Low	36.8	1.4	34.9	78.3	24.0	68.5	27.3	44.0	30.5	38.6
Monthly Figures, 1935:										
January	129.4	14.0	71.5	181.5	75.8	134.2	106.8	129.7	50.4	90.5
February	126.4	13.4	67.4	197.7	75.6	131.3	109.1	128.8	49.4	89.6
March	117.0	11.6	56.0	176.0	74.1	126.5	101.6	125.6	45.1	86.1
April	119.4	11.1	56.9	178.6	73.1	125.1	99.6	130.8	43.8	88.5
May	121.9	10.8	59.9	211.7	70.3	127.8	102.4	144.4	44.4	96.8
June	118.6	10.5	58.4	217.9	67.2	127.0	104.7	145.2	45.0	97.1
July	122.2	10.6	57.4	210.6	66.7	128.5	116.7	143.8	44.7	95.5
Weekly Figures, 1935:										
Aug. 1	123.0	10.9	58.3	206.2	67.4	128.6	117.1	143.7	45.3	95.4
Aug. 8	123.0	11.4	58.4	206.3	67.0	129.8	119.4	144.0	45.7	95.9
Aug. 15	124.7	10.5	58.4	208.3	65.9	130.8	125.4	146.3	48.3	98.6

*High and low of years from 1929 to 1934 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Aug. 20	112.43	100.09	96.27
Aug. 19	112.89	101.49	95.26
Aug. 17	114.41	101.75	92.95
Aug. 16	114.74	101.63	93.13
Aug. 15	114.26	102.34	92.87
Aug. 14	114.16	101.73	91.77
Month ago	109.23	103.05	92.83
Year ago	97.40	129.34	90.19
High, 1935	114.74	123.68	103.99
Low, 1935	97.90	100.09	80.83

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Aug. 20	62.0	58.6	60.4
Aug. 19	62.2	60.4	61.0
Aug. 17	62.5	60.7	61.3
Aug. 16	62.7	60.7	61.4
Aug. 15	63.0	60.6	61.4
Aug. 14	63.7	61.0	61.9
Month ago	58.0	57.9	58.7
Year ago	64.3	55.9	58.7
High, 1935	64.2	63.1	63.0
Low, 1935	56.1	56.0	56.7

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Provincial	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Nova Scotia	Aug.	Griffis, Fairclough & Norsworthy and Syndicate	3%	1950	$3,817,000	*99.75	3.02%
Dominion—Canada Treasury Bills	Aug.		...	Nov. 15/35	20,000,000	99.69	1.2223

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Montreal Coke Mfg. Co.	Aug.	Collier, Norris & Henderson	3½%	1936-40	1,200,000	....	....
Montreal Coke Mfg. Co.	Aug.	Collier, Norris & Henderson	4%	1947	2,200,000		
Stock Issues—							
Internat'l Milling Co.	Aug.	A. E. Ames & Co.	5%	1st pref.	4,500,000	*99	5.05%

*Offering price.

Obsolescence

Obsolescence takes its toll in cash register equipment and in accounting systems just as surely as it does in buildings and fixtures.

Business equipment that has seen a decade or two of service can no more meet the needs of to-day than merchandise that was manufactured ten or twenty years ago.

Visit the National Cash Register booth in the National Business Show, General Exhibits Building, Canadian National Exhibition, and let us demonstrate to you the new and better National methods, designed to meet the requirements of any business "wherever money is handled or records are kept." Also let us tell you about the new and better National methods of handling accounts receivable, accounts payable, distribution of pay-roll, distribution of sales, and distribution of materials—or 'phone or write our nearest branch.

THE NATIONAL CASH REGISTER COMPANY OF CANADA LIMITED

Head Office and Factories: Toronto

Branches in all Principal Cities

Cash Registers — Typewriting-Bookkeeping Machines — Posting Machines — Analysis Machines — Bank-Bookkeeping Machines — Check-writing and Signing Machines — Postage Meter Machines — Correct Posture Chairs.

OFFERING STOCK OF INT. MILLING ONLY TO HOLDERS

Part Issue of $4,500,000 5% Preferred May be Sold Publicly

Offer of $4,500,000 of new five per cent first preferred shares of $100 each of International Milling Co. is being made by A. E. Ames & Co. at $99 a share.

The present offer is made only to holders of six and seven per cent preferred shares which have been called for redemption at 107 and 110 respectively, plus dividends, on Oct. 15, 1935. Subscriptions by present shareholders close on Aug. 26. Any balance not taken up by holders of the called shares is expected to be offered for public subscription.

It is revealed in the prospectus that an issue of $1,500,000 of four per cent first mortgage bonds will be made presently for International Milling's wholly-owned subsidiary, Lake & Rail Warehouse & Elevator Corp. This issue will provide most of the funds required to meet the redemption of the entire issue of some $1.8 millions of the subsidiary's six per cent bonds paid off last June 1. Except for this refinancing by Lake & Rail Warehouse, there are no mortgages or other securities standing ahead of the International Milling Co. first preferred shares. Dividends have been earned consistently by a wide margin.

Subscription Method

To subscribe for new stock, shareholders have been advised to deposit present certificates with National Trust Co., Toronto, by Aug. 26. Distant shareholders may wire reservations of stock pending deposit. Shareholders may subscribe for new stock for the same face amount as now held. If holders wish to buy less of the new stock than held at present, they are advised to deposit certificates for only the amount of new stock desired.

Transferable deposit certificates will be issued as evidence of shares deposited with the trust company. These are expected to be saleable. About Oct. 17, these deposit certificates will be exchangeable for the new shares and for the redemption premium.

Redemption of the present six and seven per cent shares will be made in U.S. funds. The National Trust Co. will then deduct new subscriptions at $99 a share, Canadian funds. The cash balance, in U.S. funds, will be handed to those who subscribe for new stock together with their new shares.

Offered Only in Canada

The new issue is being offered only in Canada and is therefore not registered with the U.S. Securities and Exchange Commission. Since the company is an American incorporation and has its head office in the United States, dividends on the new shares are payable in U.S. funds only.

Sale of the shares is carried out in Canada partly because previous financing has been done here. Also the company's milling business is divided fairly evenly between Canadian and American mills. There is nothing to prevent American shareholders from subscribing for the new shares in Canada, but they cannot be solicited legally in the U.S.A. as long as the preferred stock is not registered with Washington authorities.

Particulars of the issue follow:

International Milling Co.

Issue—$4,500,000 of 5%, 1st preferred, cumulative redeemable stock, shares of $100 each.

Company—Delaware, U. S. inc., 1923; head office, Minneapolis.

Business—Owns and operates flour mills at Calgary, Moose Jaw, Saskatoon, New Prague, Minn., Buffalo, N.Y., Davenport, Sioux City, Iowa. Canadian mills belong to wholly-owned subsidiary, Robin Hood Mills, Ltd. Wholly-owned Lake & Rail Warehouse & Elevator Corp. operates warehouse and elevator at Buffalo.

Net profits — Yearly average for 10¾ years, $1,240,931, or 5.51 times annual preferred dividends. Nine months to May 31, 1935, $902,699, or at rate of 5.34 times annual dividends on this issue.

Assets—Total net assets at May 31, 1935, calculated at $14,850,950 by Peat, Marwick, Mitchell & Co.; net quick assets $8,486,442.

Purpose of Issue—To provide funds for redemption of present six and seven per cent first preferred stock.

Capital — Authorized: $6,000,000 of 5% first preferred stock; $1,000,000 second preferred stock; 150,000 shares no par common. To be outstanding: $4,500,000 first preferred stock; 100,000 no par value common shares.

Dividends—Accrue from Oct. 15, 1935, payable quarterly in U. S. funds at 5% on Jan., Apr., July, Oct. 15.

Redeemable—At 105 on 45 days notice.

Sinking Fund—One per cent annually of 1st preferred stock outstanding, to start April 15, 1936.

Additional Issue — More 1st preferred stock may be issued without consent of holders of outstanding shares, provided: net assets equal 200% of preferred stock; net quick assets 75% of preferred, profits in two preceding years equal twice total preferred dividend requirements.

Mortgages — Company or subsidiaries may issue or guarantee mortgages up to $2,000,000. Lake & Rail Warehouse to issue $1,500,000 of first mortgage bonds under this provision to provide, in part, for recent redemption of its entire 6% first mortgage issue.

Junior Shares—Redemptions of second preferred or common, and dividends on same, may not be paid if such would reduce net assets below twice total 1st preferred stock or quick assets below 75% of total 1st preferred.

Votes—1st preferred has no vote unless four quarterly dividends in arrears when one vote per share. If eight quarterly dividends in arrears, 1st preferred has sole voting rights except that common may elect one-third of board.

Offer—At $99 a share, solely in Canada and only to holders of present 1st preferred shares called for redemption, by A. E. Ames & Co., to yield 5.05 per cent.

American Cyanimid Co. Gets $9,000,000 in Loans

American Cyanimid Co. has concluded arrangements for placing loans of varying maturities to a total amount of $9 millions. Over two-thirds of this is represented by four per cent sinking fund debentures due 1935.

It is reported that the company has arranged for payment of all existing funded and bank debts of the subsidiaries from the proceeds. It is not expected that there will be a public offering.

Bond Redemptions

Bond Issues:	Rate	Date	Date	Price
Belding-Cort.	5%	1936	Nov. 1	105
Can. Cons. Felt.	‡6%	1940	Oct. 1	105
Mtl. L. H. Ref. B.	5%	1970	Sept. 1	105
Dom. Canners	*6%	1940	Oct. 1	110
Prov. L. H. & P.	•5%	1946	Sept.	105
Amer. Salesbook	6%	1939	Oct. 1	102½
Can. N. Rlys.	4½%	1954	Sept. 15	102

For sinking fund: ‡$65,000. *$62,600. •$52,000.

Stock Issues:	Rate	Stock	Date	Price
Inter. Milling	7%	Pref.	Oct. 15	*110
Do.	6%	A Pref.	Oct. 15	†107

*Plus accrued dividends of 88 cents per share.
†Plus accrued dividends of 75 cents per share.

NATIONAL CEMENT REDEEMING DEBT NEXT NOVEMBER

Can. Cement Subsidiary Calls High Coupon Bonds

From Our Own Correspondent

MONTREAL.—National Cement Co., Montreal, subsidiary of Canada Cement Co., has called for redemption on Nov. 1 next of all its outstanding seven per cent first mortgage bonds at 102 and accrued interest. No particulars are available as to the amount outstanding.

Six years ago Canada Cement acquired control of National Cement from Alfred Rogers and associates of Toronto. The company was formed in the early part of 1925 and in the fall of the same year commenced manufacturing operations at the Montreal East plant, which has a capacity of 1,000,000 barrels of Portland cement annually.

Toronto Group Interested

Early in 1928 Rogers and his associates acquired control of National Cement, the old shareholders receiving $90 for each preferred and $10 for each share of common stock. This deal involved nearly $2.5 millions. In addition there was a funded debt outstanding of $1.4 millions, which remained undisturbed. It is these bonds which are now being called for redemption.

The next change in control of the property took place in August, 1929, when Canada Cement Co. took over the Roger's interest at an undisclosed price. This gave the company a practical monopoly of the cement business in Ontario and Quebec.

Linton Apartments Ltd. Bondholders to Meet

From Our Own Correspondent

MONTREAL.—Holders of the six per cent second mortgage bonds of the Linton Apartments Ltd. will meet in Montreal on September 4 to consider a number of proposals regarding interest payments, waiving of default and extension of maturity.

The bondholders will be asked to approve of an arrangement whereby the interest due on July 1, 1935, and unpaid, be waived until September 15; the date of repayment of the principal from January 1, 1936, be extended to the same date in 1941; reduction in interest payments during the extension period from six to five per cent; payment of interest by cheque to registered holders during the five-year period; and to give the company the right to call the bonds on 30 days notice instead of four months as provided in the present trust deed.

Mara, Bate & Co. Merger Effected in Victoria, B.C.

Bate & Co. and Mara, Jones & Co., Victoria, B. C., have merged into Mara, Bate & Co. The new firm will handle a stock and bond business and also real estate and insurance.

Members of the firm are J. L. Mara, H. B. Bate and G. A. Melville. The firm represents Yorkshire Savings and Loan Association in Victoria.

Convict Kingston Broker For Illegal Conversion

B. G. M. Jemmett, Kingston, of the former firm of Jemmett, McCarthy & Co., stock brokers, has been convicted of converting shares illegally. The defendant said he had pledged stocks of a client with a Kingston bank, but claimed that it was a legal transaction.

Stavely Apts. Bond Coupon May be Paid in September

It will be some time in September before funds to meet another coupon on the 6½ per cent first mortgage bonds of Stavely Apartments, Toronto, will be available to holders, according to H. S. Black, Ottawa, secretary of the bondholders' protective committee. The last payment was the coupon for Feb. 15, 1933, which was met Dec. 15, 1934.

Expenditures on the building have had to be made. Taxes are reported as being paid when due. The building is 95 per cent occupied.

In a letter to bondholders, Mr. Black suggests acquisition of outright title to the property unless the full face value of the bonds is realized by holders.

Name E. J. Howson Trustee Jenny Lind Candy Shops

E. J. Howson, partner in the accounting firm of Thorne, Mulholland, Howson & Macpherson, Toronto, has been appointed trustee for the bankrupt estate of Jenny Lind Candy Shops Ltd. Mr. Howson's appointment is in substitution for the Premier Trust Co., Toronto, appointed trustee by the creditors at the first meeting following the candy firm's bankruptcy.

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Grain Exports

The exports of Canadian grains and flour for the eleven months ended June, 1935, comprised 135,216,875 bushels of wheat; 4,355,078 bushels of wheat flour; 13,958,902 bushels of barley; 13,534,088 bushels of oats, and 972,838 bushels of rye.

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NEW ISSUE

$3,400,000

Montreal Coke & Manufacturing Company

FIRST MORTGAGE SERIAL AND SINKING FUND BONDS

$1,200,000 3½% Serial Bonds, Due September 16th, 1936/1940
$2,200,000 4% Bonds, Due September 16th, 1947

Principal and semi-annual interest will be payable on September 16th and March 16th of each year at the principal office of the Royal Bank of Canada, in the Cities of Montreal or Toronto, in lawful money of the Dominion of Canada. Redeemable at the option of the company, either as a whole or in part, at any time, on thirty days' prior published notice at the following prices and accrued interest; at 101½ if redeemed on or before September 16th, 1940; thereafter at 101 if redeemed on or before September 16th, 1941; thereafter at 100¾ if redeemed on or before September 16th, 1942; thereafter at 100½ if redeemed on or before September 16th, 1943; thereafter at 100¼ if redeemed on or before September 16th, 1944; and thereafter to maturity at the face amount thereof without premium. The company covenants to make annual sinking fund payments to the trustee which are calculated to be sufficient to retire the entire issue by maturity. Definitive bonds will be in coupon form in denomination of $1,000.

TRUSTEE

MONTREAL TRUST COMPANY—MONTREAL

CAPITALIZATION

The capitalization of the Company authorized and outstanding as of December 31st, 1934, adjusted to reflect the sale of this issue of bonds and the redemption forthwith of $3,457,000 outstanding First Mortgage Bonds due 1947, is as follows:—

FUNDED DEBT—	AUTHORIZED	OUTSTANDING	
FIRST MORTGAGE BONDS	$10,000,000		
One-Year 3½% Bonds due 1936		$ 220,000	
Two-Year 3½% Bonds due 1937		230,000	
Three-Year 3½% Bonds due 1938		240,000	
Four-Year 3½% Bonds due 1939		250,000	
Five-Year 3½% Bonds due 1940		260,000	
Twelve-Year 4% Bonds due 1947		2,200,000	
			$3,400,000
CAPITAL STOCK—			
6% Preferred Stock ($100 Par Value)	$5,000,000		$3,000,000
Common Stock (No Par Value)	100,000 shares		100,000 shares

SINKING FUND

Annual Sinking Fund payments are calculated to be sufficient to retire the entire issue by maturity.

PURPOSE OF ISSUE

This issue is being made for the purpose of providing funds for the redemption of $3,457,000 in principal amount of outstanding First Mortgage 5½ % Bonds, Series A, due June 1st, 1947.

COLLIER, NORRIS & HENDERSON
LIMITED
MONTREAL TORONTO

The Financial Post

Member Audit Bureau of Circulations

Editor—Floyd S. Chalmers

Business Manager—D. M. Gowdy

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TORONTO, AUGUST 24, 1935

PROLONGING THE ARGUMENT

THERE will be some regret that the election date had to be fixed as late as October 14. It is likely that the extra few weeks will be of help to the government forces. The delay disturbs the tempo of the Liberal campaign and, with business improving, time is with the government. But Mr. Bennett seems to have fixed the date without regard to these considerations. The ponderous machinery of preparing election lists works more slowly than the average business man, accustomed to action and results, could believe possible.

There will be eight weeks more of that purely superficial controversy on major national problems that constitutes electioneering under Democracy. But it is just part of the price we have to pay for the great gift of democratic government. Business men will hardly settle down to making extensive long range plans until they know which kind of government they will have to deal with.

Mr. Bennett has eight weeks to produce a miracle. The phrase is not ours but that of one of his most active workers. No leader was ever held in greater respect by his followers than is Canada's prime minister. They are confident that the miracle will be forthcoming. They don't know what it is likely to be but they are sure it will be good enough to win the election.

THE CHURCH IN POLITICS

POLITICS and religion do not mix. This is the statement of the Weekly News, of Truro, N.S. Commenting on a recent item in The Financial Post, which indicated that there is evidence that many ministers of the United Church were sympathetic to Hon. H. H. Stevens and his new Reconstruction Party, the Truro News says:

"Any church or the ministers of any religious denomination who ally themselves with any particular party in a political contest are placing themselves in a very dubious and certainly precarious position.

"All congregations are made up of various political stripes and the minister is certainly lacking in wisdom who takes a part in the election campaigns unless in support of moral principles. While, generally speaking, the clergymen have as much right as any other citizens of the Dominion to their own opinions, yet it must be remembered that they are set apart to preach pure and undefiled religion.

"Perhaps there is nothing that can get a minister in wrong quicker than taking sides in any controversial matters other than the one of good against evil."

These words of the Truro News are a reasonable comment on the active participation of ministers of the gospel in party controversy.

As a citizen an individual minister is not debarred from taking part in a political campaign if he so desires nor even from running for Parliament. But if he does so he must expect to split his congregation on party lines and to lose greatly in influence and authority. He is better out of a party fight. And, of course, it goes without saying that any national church organization should refrain from affiliating itself even indirectly with any party group.

This is not to say that the church has no rôle in the independent discussion of the governmental affairs of the nation. The church must interest itself in political trends just as it must interest itself in the economic and social life of the people. Its rôle must be that of raising ethical and moral standards in all these fields. It must instill into all classes of people a social consciousness and a sense of obligation to one another.

The church today is facing political challenge in many countries. In Russia and in Germany the Christian religion is being superseded or has been superseded by new philosophies in which material gods are dominant. The church has been ousted in these countries and will be ousted in any country where democracy dies, simply because the Christian religion is incompatible with either personal dictatorship or the enshrinement of the state.

The most embarrassing phase of the Christian religion to the revolutionary political or social reformer is its insistence upon the brotherhood of man. War makers, extreme nationalists and those who wish to be numbered among the five per cent of political aristocracy within a state that is 95 per cent slave, cannot square their philosophies with the tenets of Christianity. Either the new political philosophy or Christianity must go and European tyrants seem disposed to count religion as the loser.

In Canada there is no conflict between political authority and the church. The church has, and must continue to have, a very definite rôle in politics. But this is a very different thing from being associated with any individual political party.

STUPIDITY OF FEW HURTS ALL PUBLIC UTILITIES

THE utter stupidity shown by some of the American public utility corporations in their handling of public relations is only matched by the crass ruffianism of politicians in dealing with all utilities.

The public utility executives who forged telegrams to Senators and Congressmen protesting against pending legislation, the other so-called "personal relations counsel," who attempted to spread lies and rumors about the president and other men in Washington, are hardly typical of the men in charge of public utility enterprises at large. Nor are the few outstanding examples of public utility holding enterprises which are no more nor less than bandit lairs to rob both the public and investors of public utilities, to be regarded as typical. But it is upon these isolated examples of wrong doing, upon this small minority of utility companies and utility executives, that politicians concentrate in order to get public approval for legislation which will adversely affect the interest of all utility companies and all utility investors.

A recent survey by Fortune Magazine showed that there are more Americans who are satisfied that their utility charges are fair and reasonable than are satisfied that their tax bills are just.

As is so often the case when there is a public debate between politicians and any group of business men the main truth is obscured by playing up isolated instances and exceptions. Perhaps if the utility industry as a whole in the United States were to disavow and disown some of the organizations which are definitely antisocial in their operating methods and their public relations, it would be more difficult for the politicians to place heavier burdens upon all of them.

The recent incident when the president of Associated Gas & Electric disappeared just as he was needed to testify before a Senate Committee was a thoroughly disgraceful exhibition. It suggests that this particular utility corporation had a great deal to hide from the public.

THE RIGHTS OF MINORITIES IN INDUSTRY

BRITISH industry feels the need of further organization. But it has no wish that Parliament should legislate minorities into subjection to the will of any majority group in any industry. This is made clear in a report just issued by the Federation of British Industries which appointed a special committee to study the organization of industry in the Old Country.

The quiet conservatism of British industrialists in this regard is in sharp contrast to opinions, so freely voiced in both the United States and Canada, calling for the establishment of trade associations empowered with authority over all groups in their trade or industry.

The F.B.I. committee points out that the advantage of a voluntary industrial association is that it works with the free assent of all its members. On the other hand, if minorities were forced into any scheme through a majority vote they would be no more favorably disposed to it after compulsory adherence than before. They could create, from within, many difficulties that would prevent its smooth running. In the committee's report appears this very pertinent paragraph:

"The proposal to give the majority of an industry statutory power to coerce the minority rests upon the assumption that the majority is inevitably correct in its ideas. Much of the progress of industry in the past and many of the new inventions and methods which have brought prosperity to this country have been achieved by a progressive minority which was in advance of general opinion. No steps should be taken to curb the initiative of any progressive unit."

The considered conclusion of the committee, which included such outstanding industrialists as Sir James Lithgow and Lord Melchett, is that compulsion of a minority in industry is a principle to be adopted only in the last resort.

WORKERS PAY THESE TAXES

J. S. GILLIES, of Braeside, Ontario, a leading Canadian lumberman, sends The Financial Post some very illuminating figures as to the effect of taxation on a typical Canadian business.

Mr. Gillies points out that the selling price of lumber in Canada in 1933, the last year for which complete statistics are available, was actually less than the average of the pre-war years. It was one-third less than the last 26 years average.

The volume of lumber produced in Canada was less than one-half of the peak production and less than one-half of pre-war production.

On the other hand, lumbermen—as have all business men—have had to bear an increasing load of taxation. Their log dues, ground rents and fire ranging costs have been reduced between 1913 and 1935 as provincial governments, deriving so much of their revenues from timber, have reduced their charges during the depression. But taking the figures of Mr. Gillies's own firm, all other items have shown a very large increase. Workmen's compensation, Dominion and provincial income taxes, and Dominion and Montreal sales taxes are all new and very substantial items. The capital or corporation taxes and the nuisance taxes have multiplied twenty-fold. Municipal, school and county taxes have almost tripled. The county rate has increased from 2.7 mills to 25 mills, a 900 per cent increase due to good roads and social welfare.

In addition, freight charges for exports to New York city are now twice the pre-war rate and a very large duty is payable on lumber shipped into the United States. No attempt has been made by Mr. Gillies to figure the cost of the sales tax on what his firm buys; nor the added cost of the minimum wage and maximum hours regulation; nor the cost of regulation and restriction and operations; nor the cost of making out returns to governments.

Who pays these charges? Some of them can be passed along to consumers. But it is quite obvious in the case of lumber that the charges are not being passed along, for lumber today sells at less than the pre-war figure. This means that they have had to come out of the wages and profits payable to workers, management and capital.

Many businesses can tell a similar story. The sheltered, protected or bonused industries are in a better position to meet an increasing load of taxation. They are able to pass on a certain portion of the cost to the ultimate consumer. But our great export industries are definitely handicapped by every increase in their tax burdens. This handicap bears most heavily upon their workers or those who would otherwise be their workers.

WHERE STABILIZED EXCHANGES HAVE INCREASED TRADE

SOME idea of the commercial benefits that would be derived by the world from stabilization of foreign exchange rates can be obtained by a study of the record of trade between the countries in the sterling area. In these countries there is already freedom from violent swings in exchange rates—at least between their own currencies.

A study made by Barclays Bank of London shows a very large expansion in trade between the United Kingdom and the countries of the Empire as well as with those foreign countries that are included in the sterling bloc. For the purposes of Barclays Bank's statistics, the countries whose currencies have followed over a period the movements of British currency are counted as comprising the sterling area. Canada is added, although it continues to manage its money independently of Great Britain.

The figures compiled by Barclays Bank show that the countries in the sterling area have managed to increase their trade with one another. This contrasts with the fact that trade both ways between them and other foreign countries has fallen off very considerably since 1931.

Depreciation of currency in these countries has helped to stimulate trading. So have both the Ottawa agreements and various trade treaties. But Barclays Bank points out that, while the sterling area has not had a monopoly either of industrial revival or currency depreciation, the statistics of British trade suggest that some special influence has been in operation to encourage trade within this particular group of nations. It adds:

"Apart from their interest in the prosperity of the British market, which is also shared by many other countries, the only common factor not applicable to those outside the group, is stability of exchange quotations in terms of sterling."

From this it is deduced that stabilized exchanges make for improving trade.

But getting stabilized exchanges may not prove easy. One obstacle is the current tendency to manipulate currencies for domestic reasons rather than for international benefits.

There is a good deal of criticism of France and the other gold bloc countries for refusing to devalue their currency, thus making a stabilization disagreement easier, but an equal barrier to stabilization is the large body of opinion in Canada, United States and Great Britain that feels each country should manage its own currency without regard to the currency of other countries. It is hardly consistent to call for stabilization of leading foreign exchanges and at the same time to insist upon purely internal management of money to produce a higher domestic price level and a self-sufficient prosperity. As a large world trader, Canada is more interested in stabilization of international exchanges than in setting up its own money state. We want both a stable dollar at home and a stable dollar abroad, if we can have both. The latter will help us to achieve the former.

Post-Scripts

POOR old U.S.A. Always in hot water about something or other.

No sooner has the famous Vanity Fair-Hirohito incident subsided (or has it?) than along comes another editorial writer (this time in Cincinnati) and dares to print the following in a special issue of a nationally-known insurance journal.

"Saint John's, Nfdl., Can."

Of course anyone who knows his Saint Johns will sense the far-reaching impact of such a statement. It is bad enough to accuse "Nfdl." of being part of Canada but to spell the saintly prefix of the capital of Britain's oldest Colony out in full is adding injury to insult.

What is more it makes the incident a tri-national one by involving that mighty Maritime port which prides itself on being the one and only Saint John.

• • •

THE most disappointing feature of New Deal experimentation in the United States has been that the solution of one problem merely provides another problem which in turn must be solved. To relieve workers in one area, the government will put them to work on the production of some commodity which floods the market and produces additional unemployment in another area.

Bruce Bliven, editor of the New Republic, quoted many examples of such hydra heads of the New Deal in the talk he gave at the Y.M.C.A. summer school at Orillia. One of the most absurd related to the hogs which were slaughtered in the middle West and thrown into the Mississippi River in an endeavor to create an artificial shortage and raise prices. The catfish in the river fed on the hogs and became so stuffed and sleepy that they would not take the bait of the fishermen farther down the river. The result was that hundreds of families that had been able to stay off relief because they could catch fish for food found themselves in danger of starvation and had to go on the relief bill.

Mr. Bliven told of the Pennsylvania model community established by the Washington New Dealers. Scores of new homes were erected at considerable cost before it dawned upon the bureaucrats that the thermometer often touched zero in this community. The homes that were going up were summer cottages with no provision either for cellars or for furnaces. The homes had to be replaced, and although the government was planning structures that could be sold on easy terms to low paid miners and their families, the average cost of the new buildings was between $9,000 and $10,000!

Sayings of the Week

"Imagination is more important than knowledge."—*Albert Einstein.*

• • •

"The Fascist loves his neighbor—but with differences."—*Benito Mussolini.*

• • •

"Criticize opinions and institutions, but do not attack individuals."—*Dean Inge.*

• • •

"We humans are where we are, largely because of what we are."—*Phelps Phelps.*

• • •

"Technically, the means of universal happiness exist as never before."—*Bertrand Russell.*

• • •

"Love of country does not conflict with the ideal of a world state."—*J. B. Priestley.*

• • •

"The fear of ignorance is one reason why we get an education."—*Harry Emerson Fosdick.*

• • •

"The one big blunder is in calling the English simple when they are subtle."—*G. K. Chesterton.*

• • •

"I confess to origin in a barbarous country, where cricket is very little played." — *Lord Tweedsmuir.*

• • •

"There is only one way to keep war prices down and that is not to permit them to rise."—*Bernard M. Baruch.*

• • •

"The mere collector of stocks and shares is as absurd as the collector of stamps or walking-sticks."—*Dean Inge.*

• • •

"The increase in the national debt has been accompanied by a rise in the nation's capacity to pay."—*Henry A. Wallace.*

• • •

"The function of industry is to maintain the national prosperity at as high a level as possible."—*Sir James Lithgow.*

• • •

"Philosophy itself is nothing but a search for the truth which we regard as being present throughout all our experience."—*J. S. Haldane.*

• • •

"There is no greater disloyalty to the great pioneers of human progress than to refuse to budge an inch from where they stood." — *Dean Inge.*

• • •

"A free civilization is one in which the mass of people can live without destroying their neighbors to make room for themselves."—*Walter Lippmann.*

• • •

"If tipping were made illegal and punishable, then in a generation or two the thought of tipping would seem as ridiculous as duelling now seems."—*A. A. Milne.*

• • •

"Some people with every outward appearance of decency and honesty are for reform in every other department of city government, but seek to maintain their own special privilege." —*Fiorello H. La Guardia.*

• • •

"The Englishman proceeds not by analysis and logic, but by casual emotional observation and association of ideas, with the result that his mind resembles a pawnbroker's shop window."—*George Bernard Shaw.*

The World at Large

British Politics

Government's Rejection Lloyd-George Plan Rouses Fire

By JOHN A. STEVENSON

Announcement that the British Parliament is to reassemble at the end of October means that the Baldwin ministry has abandoned the idea of a September general election. The ordeal will now be deferred until at least next spring.

However with an election in the offing the political atmosphere is becoming livelier and promises to be even more so in the coming months.

Stock Rises

In the first half of 1935 the stock of the National Government had been rising steadily. This was partly as the result of a general improvement in business but more as a consequence of the bold move of the German "Nazi" Government in striking off the shackles of the Treaty of Versailles and openly setting about the task of rearmament. This ominous development and other disturbing factors in the international situation apparently caused many voters who had been ready to condemn the National Government to decide that it was better to keep it in power. They believed it would make more adequate provision for national defense than the Labor party. The latter's pacifist views were viewed with something akin to alarm.

But the tide of public opinion seems to be swinging around again. Toward the end of July the Government suffered a bad blow in a by-election in the West Toxteth division of Liverpool. Here its candidate, polling only 9,565 votes or less than half the poll of 20,613 votes secured by the late Conservative member in 1931, was beaten by 5,635 votes by a Labor nominee. For half of the Government's supporters to melt away in four years is particularly ominous in Liverpool which has traditionally been a Tory stronghold.

Lloyd George Declares War

Moreover evidence of waning strength coincides with an open declaration of war upon the Government by Lloyd George. Ministers have finally rejected his Reconstruction programme and the negotiations between them have been abandoned.

The essential feature of Lloyd George's new deal programme was a frontal attack upon the problem of unemployment. This would be done by a big special loan of $1,250 millions, the proceeds of which would be used to finance a wide variety of public works and other projects. He proposed the further development of power supplies to cover the whole country, more electrification of railways and the unification of all transport services under co-ordinated public control. Further proposals included a nationally and regionally planned policy of housing and industrial development reorganization under public auspices of the iron, steel, coal and cotton industries, afforestation, the raising of the school-leaving age and other correlated measures.

He also had a scheme for settling half a million additional agricultural workers on the land plus another half a million in auxiliary rural occupations. To ensure its success he was ready to sponsor a policy of high protectionism for farm products. He also advocated the establishment of a National Development Board, which was to consist of "Impartial persons drawn from industry, commerce, finance, workers and consumers" and which would not change its complexion with a change of Government. It was to be divorced from politics and was to undertake "economic planning" for the nation. Its plans were to be submitted to the Government for consideration and such as were accepted were to be entrusted for execution to a number of bodies, either existing government bodies or specifically created bodies.

Counter Socialism

What Lloyd George obviously aimed at was a plan for an enduring order of Capitalist Economic Nationalism administered by "impartial persons of consequence." The fundamental idea behind it was that if the people could be got back to work under capitalism they would cease to want to abolish this institution and Socialism would lose its attractions.

This was the main argument, with which he sought to win the approval and co-operation of the Government for his programme. But he entered the negotiations with the odds considerably against him. For one thing he had some ancient enemies in the cabinet, who knew that if his plan was accepted he would have to be brought into the ministry. They did not want to serve with him. He had also to face the hostility of Neville Chamberlain, Chancellor of the Exchequer and treasury officials who hated the idea of a huge new loan and its upsetting effect upon financial calculations.

Baldwin Shrewdness

However Mr. Baldwin, who was really running the Government months before he resumed the premiership handled the situation with his usual shrewdness and skill. He got his colleagues to show a sympathetic interest in the Lloyd Georgian programme. At a series of conferences and in meetings of the cabinet they pondered over the proposals long and deeply.

Baldwin refused to take offense at Lloyd George's witty jibes about the somnolence of the Government. He conveyed the impression that he was eager to embrace the "New Deal" programme if it was feasible and he set to work his official who spent months examining the proposals with meticulous care.

Stalled Off

Meanwhile Mr. Lloyd George, treated with this exasperating courtesy, had to suspend his campaign and patiently await the ministerial decision. While he was waiting the jubilee celebrations occurred. Party controversy was stilled. Interest in politics subsided. The Government was quietly reconstructed with the infusion of a little new blood. By this time popular interest in the Lloyd Georgian programme had faded. Mr. Baldwin, who is a popular premier just as Mr. Ramsay MacDonald was not, felt his position sufficiently stable to reject the Lloyd George scheme.

Politeness

Government did this in the politest possible fashion. It forwarded to Lloyd George a long memorandum which it also published. In this were set forth in detail the practical objections to various schemes. The memorandum also pointed out that other items of the programme were already in process of being carried out by the Government. It held out hopes that further adventures in reconstruction would be attempted in due course by cautious well tried methods.

Lloyd George was furious. He realized that he had missed the boat for his campaign. He at once issued a counter memorandum traversing the objections and excuses of the Government and accusing it of quite unwarrantable self-complacency. He has also vowed himself to its destruction. While he is now an old man and has lost some of his glamor for the public, he is still the most formidable platform orator in Britain. The Government will have to reckon with him.

There is little chance of Lloyd George being accepted as a formal ally by the Labor party. The latter regards his scheme as a palliative, designed to revitalize an economic system that it is resolved to sweep away. But the guerilla warfare which the little Welshman will conduct on the flank of the Government cannot fail to damage it and help the cause of Labor.

Other People's Views

Paradox

The Printed Word

Inevitably Canadian political thought must follow world trends. Rightly or wrongly, the experiments in the United States, and for that matter in Russia, ultimately find their reflection in Canadian thought. One does not have far to look to find the source of some of the planks, contradictory as they are, of Hon. Mr. Stevens's new Reconstruction Party.

Due to conditions, many have honestly convinced themselves that a swing to the Left is what will save the world. One can understand readily enough a growth in radical thought in lean years. But what is not understandable is the attitude of certain publishers who, to maintain circulation figures, encourage beliefs in economic systems or methods of government under which they could not survive.

One has but to regard the position of newspapers and their owners in over-socialized states or under dictatorships to realize that publishers themselves would be the first to be unfavorably affected by any real changes in our system of government. On the whole we are fortunate in Canada that this is realized by most of those in control of our press.

Western View of P.E.I. Election

Edmonton Journal

An examination of the figures in the various Prince Edward Island constituencies shows that the Liberal triumph was nothing like as overwhelming as the returns by seats suggest. None of them were won by the Conservatives and there will as a consequence be no opposition in the new legislature. But in only one constituency was there a majority of more than 1,000. The other majorities ranged all the way down to five.

The popular vote reveals that a substantial minority of the electors gave their support to the old administration. It stood: Liberals 44,459, Conservatives 32,510. What is a very large total for a province which at the last census had a population of 88,000 is explained by the fact that in each riding a member is chosen by the property-holders alone and that they join with the other electors in picking a second one. An electoral system under which a party securing less than 60 per cent of the votes cast can win all the seats in the legislature and the balance of the citizens are left without representation can hardly be defended.

Radio and Politics

Calgary Herald

If the people of the eastern provinces are dreading election radio oratory even before the federal campaign has opened, what can be said of the residents of Alberta under much greater affliction? The east has only one election campaign to endure. Alberta has two. For months the people of this province have endured a flow of fervid political campaigning on both Sundays and weekdays, and the provincial polling day is still almost a month away. When there is happy release from all this tumult and shouting and vituperation, the federal campaign will still have to be faced.

The Montreal Gazette and the Toronto Globe know nothing about the punishment of long-continued political oratory over the radio. The people of Alberta do, and that may be the reason why so many citizens are at present enjoying a holiday on the Pacific Coast.

As Others See Us

Why Relief Costs Mount

St. Catharines Standard

The Financial Post points to the advance in government costs for relief for May this year as well as an advance in Toronto. To many the explanation lies in government policy, which has been too paternalistic, and the difficulty is to backstep. Moreover, had politics not been played to the limit, the situation would not have developed as it has.

Stop Me If You've Heard This One

"The sun never sets on the British Empire," said the Englishman proudly.

"How unfortunate!" remarked the American girl. "At home we have such lovely sunsets."

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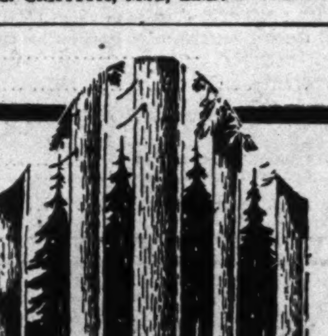

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The Week in Business

Business Prospects

REPORTS of business this week have been mostly favorable. Worthy of particular note is the rise in The Financial Post business index for July to 103.4, a new high for the recovery movement. Chief gains were in building activity, in iron and steel production, and in greater external trade. This last development was in spite of greatly reduced wheat exports.

Taking the situation as a whole, conditions this summer have been at a better level than was anticipated earlier in the year. Prospects for the fall, it is felt, will be largely determined by election results and by factors affecting the wheat crop.

* * *

Bermuda Traffic

CURIOUSLY enough, while last winter's tourist traffic between Canada and Bermuda fell off considerably, this summer's traffic has been showing a substantial increase. It is understood that summer bookings on the C.N.R. boats to Bermuda are at a premium. One reason which has been suggested is that conditions have curtailed travel to winter resorts in the last year or two, and the trip is taken in summer to get an ocean atmosphere.

* * *

Government Planes

AIRPLANES are being manufactured at Sault Ste. Marie, Ont. The first plane is expected to be turned out some time in October, and if it passes certain tests, more of the same type will be constructed. The announcement was made by the Ontario Air Service that construction is being carried out pending completion of a deal by which manufacturing rights to the Buhl air sedan will be acquired by the Ontario Government. The new planes are being designed with a view to both detection and suppression of forest fires.

* * *

Big Things on a Small Scale

A STRIKING illustration of the part which research has come to play in industry is given in the new scale shortly to be manufactured in Canada by the Toledo Scale Co. The company's president used to complain that by the time a salesman had been sufficiently well trained to demonstrate the machine he was too old to "lug the 150-lb. thing" around. The new scale will weigh 55 pounds.

The first stage in the metamorphosis was reduction of the weight of the interior mechanism through the use of aluminum. This metal was not suitable for the outer casing, however, and it took many months of research before a new compound, "Plaskon," was developed. Still, this new product would not lend itself to molding at the required size; it was not until the past year that a unit weighing 45 tons and exerting a pressure of 1,500 tons was introduced to overcome the difficulty. Experts cut exterior dimensions by 25 per cent.

The old weighing chart involved use of a certain type of cement, to sample which cockroaches would crawl for miles. In the new scale the chart is made of feather weight aluminum, which has the additional advantage of being warp-proof. The old chart, itself, comprised 30 price graduations; the new shows 60.

WEEK'S FOREIGN NEWS GENERALLY HOPEFUL

Most Reports Indicate Improved Conditions

Summary of the week's foreign business news according to Commerce Reports, Washington, is as follows:

Netherlands — With the apparent solution of political troubles, the uneasiness over the future of the florin has died down. There has been no marked change in the unsatisfactory economic trend. June employment figures are considerably less favorable than last year.

Poland—Industrial production was at 1935 peak in June, although prices are well below last year. June trade was greater than a year ago, but the "favorable" balance was reduced.

Switzerland — Business continues dull, with the number of unemployed at the end of June still above 1934.

Union of South Africa—Business generally is at a satisfactory level. Winter clearance sales have begun and a good turnover is expected. Favorable farming conditions are reported from all sections.

Australia — Unemployment is at the lowest point since early in 1930. Factory production is increasing and company balance sheets show decided increases in profits as compared with last year.

China—Business and finance have shown improvement as the result of inflation rumors. Indications are, however, that nothing will be done along this line until the arrival of British and French experts.

Japan—While business in the first half of this year was generally dull, gains of 17 per cent in exports and 16 per cent in imports were made. Taking a long range view the general trend in the next six months is expected to be downward.

New Zealand — Improvement in import trade, construction, and wholesale and retail trade is being maintained. Easy money conditions continue.

VANCOUVER GROUP MAKES PROPOSAL FOR HUGE PROJECT

Pulp and Paper Plant Forty Miles from City Urged on Council

From Our Own Correspondent

VANCOUVER. — Another pulp and paper enterprise for British Columbia is in prospect as a result of negotiations now under way between Vancouver and J. P. Meehan & Co., financial house representing eastern and British capitalists, for utilization of the Cheakamus River for power purposes. The mill would be located at Squamish at the head of Howe Sound, forty miles north of Vancouver.

The Meehan Company offers to provide up to $100 millions to finance a power project for the city, one alternative proposal being that these funds might be used by the city should it desire to exercise its option to take over B.C. Electric Railway, largest power producer in the province.

$20 Millions For Mill

The proposal has been referred to a special meeting of the Vancouver council to be held in the near future. The city at present holds the rights to Cheakamus River power, and J. P. Meehan & Co. has already been granted authority to utilize up to 25,000 horsepower of this for the proposed Squamish pulp plant. Ald. Thomas Wilkinson, who has been sponsoring the Meehan proposal in the council, says the mill would cost about $20 millions and would employ about 600 workers.

Two Alternatives

In presenting the proposition to the city, J. P. Meehan & Co. stated that it understood the city planned to develop between 25,000 and 50,000 horsepower at Cheakamus for its own use. The company offers to finance the whole undertaking and presents these alternatives:

1. That the company would develop 50,000 horsepower, half of which would be devoted to the pulp plant and half to the city of Vancouver. The city would attend to its own distribution of power and pay "a price consistent with the cost, giving a fair remuneration for depreciation and interest charges."

2. That the city develop sufficient power for its own use, "plus 25,000 horsepower to be sold to the company under contract for a term of years."

The men associated with J. P. Meehan are W. R. Meehan, W. D. Waltman, Joe Barker and E. É. Sarchet. The financial interests in the east which they represent have not been disclosed, and members of the firm declined to give out details concerning the nature of the proposed mill and its product.

Buy Out B.C. Electric?

While denying any desire to compete with the B.C. Electric Railway, which enjoys a monopoly of the power business in Vancouver and other coast cities in B.C., Meehan & Co. point out in their letter to the council that should the city desire to acquire the B.C. Electric, the amount of cash necessary for such a deal would be available, "say, $100,000,000 or more, for a term of fifteen to thirty years at an interest rate consistent with the bond market at the time the loan is made. This money would be loaned to the city in return for revenue bonds."

The company adds that the only security necessary in such a deal would be the revenue produced by the utility, which would "more than take care of the interest and sinking fund requirements for the payment of the bonds, all of which would be retired in twenty to twenty-five years."

AMERICAN BUYERS BOOST FUR PRICES AT 'PEG MARKET

Many Items Show Gains in Price from 10 to 25 Per Cent

From Our Own Correspondent

WINNIPEG.—Buyers from the United States have been completely dominating the Winnipeg raw fur market during the past two weeks. Their operations have boosted the price of most classes of fur from 10 to 25 per cent, with goods from the Mackenzie River section attracting the keenest demand.

This development follows a rather prolonged period of neglect in which raw fur prices showed a sagging trend. During this period of about three months the market's meagre support was mainly for domestic account and even Canadian buyers were following a hand-to-mouth policy in satisfying their needs.

Inventories Low

The raw fur market is considered a very sensitive barometer of business conditions. If it is signalling conditions accurately the business revival in the United States must be well under way. The fur trade in Winnipeg so interprets it. Observers point out, however, that there is no evidence as yet of speculative buying. The trade in the United States has allowed its inventories of raw furs to get low and the present demand can logically be attributed to anticipated needs only.

Marten was outstanding at the August sale, advancing 25 per cent. Other articles advanced 10 per cent, including medium grades of beaver, cross foxes of all grades, ermine, silver fox, mink, lynx and wolf.

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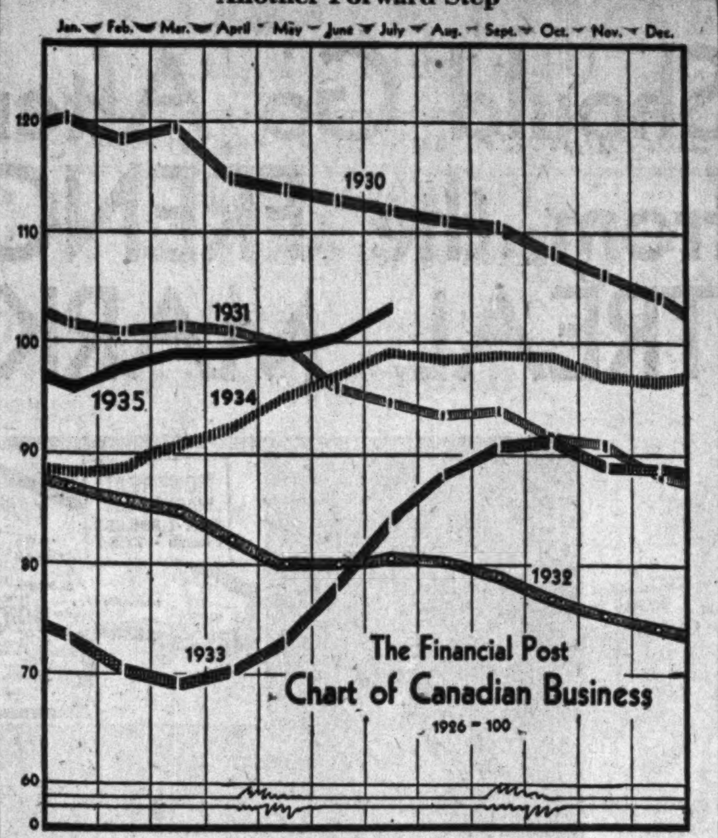
Another Forward Step



Reflecting marked advances in some important factors, The Financial Post business index moved up in July to 103.4 from 101.3 in the preceding month. While bond prices were higher, stock and commodity prices were not greatly changed. Several mineral production factors showed gains which resulted in high positions when compared with records of the post-war period. The primary iron and steel gains were most spectacular, while increases in construction contracts, carloadings and external trade were also significant.

Germans Establish Fund To Foster Trade Dumping

The creation of a fund of 1,200 million reichsmarks to foster German export is interpreted by "Anglo-European" in the Investors' Chronicle as a veiled attempt to finance re-armament at the expense of foreign commercial interests. This large fund, most of which will be drawn from German firms who manufacture for export, is designed to permit underselling of competitors in foreign countries. Dr. Schacht is really the author of the scheme which was concisely summarized by him early this year.

"Our only possible way out," said Dr. Schacht, "is to force an enormous expansion of exports. The only way to do this in present circumstances is to mobilize the German export industry en bloc and launch a universal dumping campaign, based on German selling prices so enormously below world prices that no other exporting country can compete with us, except at the risk of a worse economic slump than now exists. German producers would have to be compensated with a system of corresponding export bounties, but that could be created without difficulty." The tie-up with re-armament is through the necessity of finding additional export outlets to compensate for the required imports of raw materials.

It is stated that cost of production will no longer be a factor in the pricing of German exports. Rather will price depend on the cost of similar articles in the countries in which the goods will be dumped. It is quite possible, therefore, that the same article may have an altogether different selling price in different countries.

June Building Seasonally Off But Above 1934

Although the July total of $4.3 millions for building permits showed a seasonal decline of nearly 17 per cent, it represented an increase of more than $1 million, or 31 per cent, over the same month last year. It thus keeps the record maintained so far this year of each month showing an increase over the corresponding month in 1934.

Detailed statistics from 50 of the 61 reporting cities report that they issued 300 permits for dwellings valued at $1.1 millions and 1,900 permits for other buildings estimated at $3.1 millions.

The value of building authorized was below the previous month in all provinces except British Columbia; but compared with July, 1934, gains were recorded by all except Nova Scotia, New Brunswick and Saskatchewan.

The aggregate for the first seven months of this year was very substantially higher than in 1934 or 1933, and also slightly above the 1932 total; the increase over the same period last year was 111 per cent. Prices of building materials for the month, while above 1933 and 1932, were lower than in any other July in the past 15 years.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$7.15	$7.00	$6.00
Hogs	10.90	10.35	9.25
Copper, lb.	.08½	.08	.09
Cotton, lb.	.1175	.1160	.1330
Rubber, lb.	.1188	.1194	.1555
Sugar, raw, lb.	.0318	.0316	.0332
Silk, lb.	1.84	1.64	1.20
Wheat (Man.) bus.	.84⅜	.82¼	.84⅞
Coffee, lb.	.08¼	.08¼	.11¾
Weekly Indices			
N. Y. Annalist	127.1	126.4	116.0
Fishers'	83.1	82.9	77.8
N. Y. Journal of Comm.	80.2	80.5	77.6
Crumps (Brit.)	64.8	64.6	65.0
U. S. Labor	79.2	79.1	74.7
Canada (D.B.S.)	71.7	71.8	72.9

Monthly Indices	Latest month	Prev. month	Same month last year
Canada (D.B.S.)			
Retail (July)	78.8	78.8	78.2
W'sale (July)	71.5	71.5	72.0
U. S. Labor (June)	79.8	80.2	74.6
Gt. Brit. (May)	68.6	66.7	65.4

Note: Indices on all base 1926 = 100. British index is Economist converted to 1927 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price, Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W. Pt. A. basis; hides—heavy native steers; select bacons, Toronto.

Business Indicators

Trade—July imports and exports at $106 millions were again substantially higher than in the same month last year. Canada's increasing trade is clearly seen from the fact that in June this year the total was below that of the corresponding month of the previous year for the first time in two years. Greater imports were chiefly responsible for the higher total in July as exports were practically unchanged. Reduced wheat shipments are the greatest drag on our exports, well over $3 millions less being sent abroad in July. Exports of nickel, zinc and shingles were the greatest for any July in the post-war period.

Leading Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	Weekly Data — Latest 1935	Weekly Data — Latest 1934	Cumulative Total Jan. 1 to date 1935	Cumulative Total Jan. 1 to date 1934
Transportation—				
Car loadings (Aug. 10)	▲41,745	40,313	1,371,558	1,351,114
C.P.R. gross earn. (Aug. 14)	$ ▲2,276,000	$ 2,265,000	$ 72,334,000	$ 72,578,000
C.N.R. gross earn. (Aug. 14)	$ ▲2,954,717	$ 2,830,053	$ 101,139,435	$ 99,205,689
Business Conditions—				
Weekly index D.B.S. (Aug. 10)	▲101.6	94.4	......	......
MONTHLY DATA	**1935**	**1934**	**1935**	**1934**
Business Conditions—				
Financial Post index (July)	▲103.4	98.6	......	......
Transportation—				
C.P.R. net earnings (June)	$ 1,403,812	$ 1,755,579	$ 6,062,018	$ 8,054,412
C.N.R. net revenue (June)	$ 494,332	$ 988,293	$ 2,179,065	$ 4,378,541
Iron and Steel (July)—				
Pig iron production (tons)	▲50,513	36,759	310,290	194,588
Steel ingots and castings prod. (tons)	▲86,101	66,647	474,264	464,169
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (June)	9,606	8,486	56,733	44,100
Factory output (June)	12,276	10,810	90,327	67,084
Trucks and Buses:				
Domestic sales* (June)	2,031	1,639	11,004	6,759
Factory output (June)	3,469	3,095	20,939	14,900
Exports (June)	4,873	5,298	33,578	23,911
Construction—				
Building permits (July)	$ ▲4,266,224	$ 3,257,470	$ 28,895,295	$ 13,668,847
Contracts awarded (July)	$ 18,549,240	$ 11,190,500	$ 94,143,700	$ 72,107,200
Newsprint (tons)—				
Production (July)	▲234,266	208,258	1,519,169	1,469,891
Exports (June)	▲227,215	202,177	1,163,548	1,140,453
Sugar (lb.)—				
Melting & shipments§	91,171,100	82,544,198	382,273,000	321,755,074
Manufactured§	89,975,627	83,543,766	384,367,736	316,407,023
Flour (bbls.)—				
Production (June)	991,559	1,127,477	6,134,108	6,600,671
Wheat flour exports (July)	395,232	408,028	2,638,217	2,941,639
Trade (July)—				
Imports	$ ▲48,414,397	$ 44,144,509	$ 308,786,790	$ 291,534,359
Exports	$ ▲56,239,187	$ 56,121,112	$ 356,504,336	$ 345,780,174
Wheat exports (bush.) (July)	9,158,035	12,979,231	54,163,556	77,700,575
Employment, D.B.S. Index—				
All industries (July 1)	99.5	101.0	......	......
Manufacturing	98.5	93.8	......	......
Electric Power Output (June)—				
Total monthly (000's omitted)	1,815,912	1,706,632	11,379,753	10,374,384
Aver. daily	60,530,000	56,954,000	......	......
Other Industrial Indices—				
Lumbering:				
Plank & Board exports, mill (July)	▲101,926	140,000	689,091	767,659
Boot & shoe prod., pr. (June)	1,756,304	1,726,529	10,664,240	9,307,372
Crude petrol., imp. gal., (July)	▲133,650,600	116,883,335	576,275,333	545,038,318
Cotton imports, lb. (July)	▲9,912,771	8,280,941	60,964,630	80,905,086
Raw rubber imp., lb. (July)	▲2,954,800	5,442,703	32,894,567	36,422,867
Coal imports, tons (June)	1,506,196	1,532,375	5,145,986	5,200,922
Finance—				
Bank debits† (June)	$ 2,710,311	$ 2,602,126	$ 15,216,136	$ 15,442,712
Bond sales (July)	$ ▲62,407,233	$ 68,252,100	$ 343,449,574	$ 258,434,159
Life insurance sales (July)	$ ▲32,155,000	$ 33,951,000	$ 213,712,000	$ 222,036,000
Automobile Financing—				
Used cars (June)	$ 2,286,465	$ 1,797,387	$ 11,472,586	$ 7,010,972
New cars (June)	$ 2,669,173	$ 2,469,198	$ 14,132,586	$ 9,639,974

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to July 13.

BUTTER AND EGG MARKET PLANS MOVING AHEAD

Canadian Commodity Exchange Announces Personnel of Committees

From Our Own Correspondent

MONTREAL. — Canadian Commodity Exchange has increased the membership of its board of governors from 15 to 20 and approved the election of five members representing the Canadian produce industry, for which trading facilities will be inaugurated during September, in butter, eggs and cheese.

T. J. Coyle, of T. J. Coyle & Co., Winnipeg; H. T. Chisholm, of H. T. Chisholm & Co., Toronto; A. A. McKergow, of The A. A. Ayer Co., Ltd., Montreal; K. H. Olive, of Olive & Dorion, Ltd., Montreal, and T. W. Grieve, Montreal, president of the Canadian Produce Association, are the members elected to the governing committee.

Mr. Grieve was named chairman of the committee on grading and warehousing. Other members of this committee are: H. G. Moore, of H. G. Moore & Co., Toronto; R. A. Nothstein, of R. A. Nothstein Ltd., Winnipeg; E. H. Hodgson, of Hodgson, Rowson & Co. Ltd., Montreal; W. G. Lasher, of the Montreal Refrigerating and Storage, Ltd., Montreal; C. R. Johnson, of Canada Cold Storage Co. Ltd., Montreal; J. E. Cregan, of The A. A. Ayer Co. Ltd., Montreal, and John Freeman, of Lovell & Christmas (Canada) Ltd., Montreal.

K. H. Olive has been named chairman of the committee on quotations with power to appoint two additional members.

A. D. Descary has been appointed to the committee on public relations.

The committee on grading and warehousing will consider the steps to be taken in connection with the licensing and approval of the various cold storages.

While no official action has been taken on fixing a date for the opening of trading it is expected that it will be between September 16 and October 1.

New Products

Floodlight—Type AL-46, lately put on the market by the Canadian General Electric Co. Ltd., is especially designed for lighting service station driveways and buildings. Soap and water will restore the white porcelain-enamel reflecting surface to its original condition when it becomes soiled and dusty in service.

Port of London Body Exhibiting at C. N. E.

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Expect Broad Scope Federal Commission on Jobless Insurance

Possible That New Body May Eventually Take Over All Employment Policies and Administer Relief Expenditures For Ottawa Authorities

UNEMPLOYMENT INSURANCE FIRST

From Our Own Correspondent

OTTAWA.—Will the Unemployment Insurance Commission gradually take over direction and control of federal relief outlays?

Will it become the all-important advisory body upon which future Dominion ministries will rely in framing employment policies?

Will it supplant the present employment offices of the provincial governments with its various branch offices in the larger cities?

Wide Views

Chairman Gordon Harrington, ex-premier of Nova Scotia, has indicated in public statement that its activities will be confined rather closely to the insurance scheme but it is well known at Ottawa that the commissioners hold much wider views of future service. Moreover, the legislators who enacted the social insurance statute, regardless of party, expect much more than merely the administration of the unemployed insurance fund.

Insurance by October

As to the insurance scheme proper, the commission is proceeding with all possible speed to get itself organized and ready for operation. Having regard to the nation-wide organization which will be necessary, this will take two or three months. The act, therefore, is scarcely likely to be proclaimed until October. Insured persons, it will be recalled, must pay into the fund for 40 weeks before being entitled to draw benefits, so that the scheme will not be properly functioning until at least midsummer of 1936.

Widen Scheme

Apart from this scheme, chief interest now centres upon the advisory functions of the commission. When the bill was going through Parliament more attention was paid to the scheme than to other sections of the legislation. But these other sections are now beginning to bulk large. The most important of them is section 7, which instructs the commission, as soon as practicable, to undertake investigations along the following lines:

1. The provision of unemployment insurance for the classes of employees exempted from the main scheme. These are chiefly agricultural and other seasonal workers.
2. Devising ways and means of assisting unemployed who are either not under the main scheme or who have not become entitled to benefits.
3. How best occupational instruction can be made available for those without work.

The commission, obviously, will act as the adviser of the cabinet. It will also act as a clearing house for information of general interest.

The statutory instruction to make an enquiry into health insurance, it is learned, will not be acted upon until next year. But in addition to getting its organization complete, the commission will launch a national enquiry into unemployment as soon as possible. The plan is to make an exhaustive study of actual conditions—something which has not been done in the past.

Labor-Exchanges

One of the most interesting phases of the commission's operations will be the development of labor exchanges in all the larger cities. These will be in the nature of branch offices of the commission but it now seems most probable that they will supplant the provincial employment bureaux and become the recognized agencies of employment throughout the land. The provincial bureaux have been supported in part by the Dominion, a cash grant being given in exchange for statistical information. These grants will be discontinued, however, as soon as the commission opens its branch offices.

Branch Offices

Conversations with members of the commission indicate that great importance is attached to the possibilities of national service in this regard. The branch offices will administer the insurance scheme in each district. It is thought that this will lead naturally to domination of the field of employment administration. Premiums will be paid into these branch offices; benefits will be paid out from them. Within a comparatively short space of time records of working people will be built up which will exceed, in detail, anything ever realized before. Employers, it is believed, will naturally turn to these offices in seeking new help, being anxious to have the scheme as sound, financially, as possible. Unemployed will come frequently for their benefits and it will be an obvious purpose of the officials in charge to get them re-employed as quickly as possible.

Future Developments

Clearly this kind of a commission, once thoroughly organized, would be able to handle federal relief grants much more efficiently than they have been handled heretofore.

Actually, however, Mr. Harrington has spoken, inferentially at least, in opposition to such a course. Other members of the commission, in casual conversation, point out that administration of relief has been taken from the commisson in the United Kingdom.

The tendency at Ottawa, however, is clearly toward a unitary system of administration and everything indicates that the responsibilities of the commission will be enlarged rather than diminished in the future.

John D. Gilmour
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BRAZIL BUSINESS GOOD INTERNALLY BUT BAD OUTSIDE

Royal Bank Review Finds Exchange Difficult, Budgets Not Yet Balanced

Royal Bank of Canada in its report for July finds internal business in Brazil moderately good. The exchange situation is uncertain, however, and the weakness of the milreis has adversely affected foreign trade and collection. Local manufacturing plants report satisfactory operations.

Woollen, cement and paper mills are working to capacity and the cotton weaving and knitting industries have shown a seasonal improvement. Negotiations have been completed for the formation of a company to manufacture nitrocellulose rayon in Brazil. Machinery will be transferred from the United States and production will be from 6 to 8 million pounds annually.

The Bank of Brazil has tightened exchange regulations so payments for imports are now on the basis of first lien on available exchange. At the middle of May the Foreign Trade Council ruled that all export bills, of which 35 per cent must be sold to the Bank of Brazil, must be paid in free money and that payments in blocked or confiscated currencies would not be permitted. This ruling has recently been modified to permit exports of all such products, except cotton, against payment in blocked currencies, provided prior authorization is received from the Bank of Brazil. The federal budget for 1936 estimates revenues at 2.4 million contos, and the deficit would be 269,275 contos on that basis.

According to the National Coffee Department, the 1935-36 coffee crop will be 18.7 million bags or 32 per cent above the 1934-35 crop. In nearly every state there is an increase and destruction of coffee continues at a lower rate than previously. During May, 91,000 bags were destroyed and approximately 100,000 bags in June. A total of 35.1 million bags has been destroyed since the inauguration of the programme in 1931.

Massey-Harris Reopens Plant at Batavia, N.Y.

Batavia, N.Y. plant of Massey-Harris Co., is resuming operations, according to official announcement. The programme of work to be undertaken at the plant is the largest since 1931.

Several hundred workers will be employed this winter, and perhaps for longer, manufacturing the usual lines of implements. The plant will also make castings for tools and tractors produced at the company's plant at Racine, Wisconsin.

New Industries and Plant Extensions

Compiled Weekly By The Financial Post

Quinton's Dye Works, Ltd. — of Winnipeg is installing $20,000 of additional equipment in its plant.

Brandes Can & Tool Co. — now making tin cans at 367 Thames St., London, in a plant opened last winter for the assembling of ball-bearing machines, tool and die-making. A lithographing works in connection with the new operations is planned, according to the London Free Press. Albert Brandes is general manager.

Castle Motor Co.—Production at Windsor and Lindsay expected about Sept. 1 according to Windsor Star on automobile parts, accessories and die-casting products. Production at Lindsay to be for heavier parts, it is stated. Edward Braddock elected president of the company; A. H. Page, Leamington, vice-president; J. E. Castle, secretary-treasurer. G. A. Girardin and R. J. Emery complete the board of directors. Head office is at Windsor. (Previous item, F. P., May 25, 1935).

Scotsmoor Textile Ltd.—plans to manufacture children's sweaters at Milverton, Ont., in former furniture factory. Negotiations for purchase of the plant from the village at price of $15,000 are proceeding through Arthur G. Ditchfield, of Mitchell and formerly of Paris. Plans to employ 15 hands, in time increasing to 75, are in mind, according to London Free Press.

Listowel Casket Co. Ltd. commenced operations in Listowel, Ont., in July. At present caskets are the only product.

Western Industries Ltd. opened recently a new plant at New Westminster, B. C., approximate cost of construction $20,000.

Best Yeast Co., Liverpool, N.S., opened its new factory in July. This plant, first of its kind on the North American Continent, uses waste pulp liquor and converts it into yeast by a process patented by Dr. G. Heijkenskjold, Sweden. A similar plant is in operation in Sweden and the Canadian plant is the second one to be built. (Initial report in The Financial Post, Feb. 16.)

Canadian Westinghouse Co. Ltd., Hamilton, is installing equipment in the West plant for the manufacture of metal tubes for radios.

Wickett & Craig Ltd., Toronto, has purchased the plant of Barrie Tanning Co., Barrie, Ont., and will do business under a new charter under the name of Barrie Tanning Ltd.

E. F. Houghton & Co., of Canada, Ltd., is doubling the capacity of the plant at 185 Dufferin St., according to H. B. Keenleyside, general manager of the Toronto Industrial Commission.

Rockwood Corp. of Canada (parent office Alexandria, Indiana) has leased land at Oshawa Harbor for erection of factory to make insulating material for houses, boilers, pipes, etc.

L. A. Young Industries, Ltd., Windsor, will lease 30,000 sq. ft. of factory space in Toronto for manufacture of steel furniture.

Mutual Pulp & Paper Mills will erect a $5 million bleached sulphite pulp mill at Prince Rupert, B.C., eighteen months required for construction.

John Labatt, Ltd., London, Ont., will double the capacity of the brew house by an addition to be started in the near future. (London Evening Free Press).

W. E. Phillips Co., Ltd. Oshawa, Ont., will complete the new plant addition this month. This will take care of the increased demand for Armour-plate safety glass and a new development in the manufacture of radio dials. (Oshawa Daily Times).

Rockwood Corp. (Canada) has reached an agreement with the city of Oshawa, Ont., and within three months will erect a $50,000 factory on the waterfront for the manufacture of insulating material. (Oshawa Daily Times).

• • •

Toronto Industrial Commission announces that:

Handy & Harman of Canada, Ltd., newly incorporated Canadian subsidiary of Handy & Harman, New York bullion dealers and refiners of gold and silver, has purchased the southeast corner of Richmond and John Streets, Toronto. Plans construction of plant for melting, rolling and annealing of gold and silver in sheet and wire form, to be in operation this fall.

Paper Novelty Mfg. Co., N.Y., has leased 4,000 sq. ft. of space at 130 Duchess St., Toronto, for plant to make paper novelties.

Goodyear Knitting Co., 651 Queen St., Toronto, is building small addition to its factory, construction to be started at once.

Badkin-Thornell, Ltd., manufacturer of wood heels, has transferred operations from Kitchener, Ont., to Toronto and is in production at 6 Northcote Ave.

CHARLES GURD CO. SALES HOLDING WELL

July Best Month Experienced Since 1931—Ontario Unit Encouraging

From Our Own Correspondent

MONTREAL.—Sales of Charles Gurd Co. are reported to be holding at a satisfactory level this year. During the first six months the volume of sales handled by the company compared favorably with the corresponding period last year. Sales in July were especially good, being the best experienced for that month in any year since 1931. August has opened satisfactorily, there being some falling off from July, but entirely due to seasonal influence. Hot August weather is helping sales. It is also reported that the company's expansion into the Ontario market has been attended by encouraging results.

Last year Charles Gurd reported net profit after depreciation and income tax of $18,076. While this was somewhat greater than in 1933, it is still substantially below that reported in previous years. Dividends of $13,650 were paid on the preferred stock, leaving a surplus on the year's operations of $4,426. Since that time directors have deferred action on the quarterly preferred dividend.

Feldspar Production Up

Shipments of feldspar by Canadian producers in May were 1,031 tons, up from 492 tons in April and 506 tons in May last year.

"We Should Go After More Business from the FRENCH in the MONTRÉAL MARKET DISTRICT"

A Manufacturer and his Advertising Counsel talk "market potentialities."

Client: I have been studying our sales figures for the Montreal territory. For years they have been riding along on an even keel, and lately we have begun to notice a nice increase. It has set me thinking that perhaps we are not making the most of the possibilities there. If we could build up our sales to what they should be on the basis of population, we would show a handsome increase.

Agency Executive: Your sales for the Montreal Market District with its TWO MILLION people or 20% of Canada's population, should be on the basis of 20% of Dominion sales! There are several factors which may warrant setting an even higher figure.

Client: **Just a minute!** You suggest that we might be doing considerably more business than we have been doing in that area? Well, that needs looking into. We have never set our quotas as high for the French market as we do for our other territories.

Agency Executive: And yet there is no reason why the French speaking people should not buy as much of your product as the people using another language. They eat as much, they wear the same type of clothes, they buy shoes, medicines, entertainment just like anybody else. Why not "our" products?

Client: Well, I am afraid we have never really tried to make the French as familiar with our products as are the rest of the people in Canada.

Agency Executive: I suppose it is natural to give first consideration to markets where the language spoken is the same as we speak ourselves. But Canada has two official languages and a very considerable proportion of the people speak French as their mother tongue. That is why we revised the package to include labels in French, French circulars and some French display material. That does not go far enough. From all the French labels on dealers' shelves, we must make "the product" **wanted**, so that it will be asked for by name. So far we have only hit the highspots.

Client: We are spending about as much in Montreal papers as we do in Toronto.

Client: We have probably regarded the French market, somewhat as the United States advertiser who thinks of Canada as "just another State!"

Agency Executive: Yes, and the French speaking Canadians have not been familiarized with our goods by every kind of advertising as have our other people — on billboards, in English and American magazines, window displays, international radio, street car cards and so on. But that is in our favour. We know we must make the advertising tell the complete story. We must show them what we have to offer. The story is fresh and interesting to them.

Client: I understand that in the French market, "family influence" brings whole groups of new customers. One man told me that when French families find a product is what they want, they are quick to recommend it and those sales form the nucleus for a big group of new buyers, including friends and relatives.

Agency Executive: **That is important!** Especially where there is such a large concentration of people, as in the Montreal Market District. A great many people in the smaller towns and rural districts have relatives in "the big city" and are influenced by what these relatives or friends recommend.

Client: Getting back to the language question. Should we write special advertisements for the French market?

YOU MAY BE STRONG ENOUGH IN ONE LANGUAGE, HOW ABOUT THE OTHER?

Agency Executive: Yes, but we are not dividing the appropriation in Montreal to give preference to the 60 per cent of the population that is FRENCH! "You May Be Strong Enough In One Language, How About The Other?" And, too, we are dependent on our Montreal French advertising to reach most of the outlying urban and rural centres for many miles around, where the FRENCH population is as high as 85 per cent. We are not "spotting" every town, as we do around Toronto.

Client: **Just a minute again!** This thing begins to open up. In a sense, this French area looms up as a separate market and one that has not been fully appreciated. Whoever gets a strong foothold there first should be in an enviable position. What do you suggest we do about it?

Agency Executive: The first thing to be recognized is the importance of their own language to the French people. They cherish the use of their mother tongue. Canada recognizes this and makes both languages legal, using both in postage stamps, currency, and in the law courts and Parliament. When you are in the Province of Quebec some time... you will enjoy the scenery and the hospitality the French people extend to you... notice how their faces light up when you do the best you can to address them in French. You can appreciate their feeling—brought up from childhood, as they are, in homes where only French is spoken — where only French newspapers are read.

Client: I have been in Montreal many times and get along quite well without talking French.

Agency Executive: Perhaps that was unfortunate. Because of such experiences, visitors to the downtown section of Montreal form no knowledge of the street after street of homes for miles around where French is used almost entirely. And we have to consider not only the people in Montreal itself, but in the cities like Sherbrooke, Hull, Trois-Rivières, Sorel, Granby — all of which (with scores of smaller towns and the interwoven rural communities) are heavily influenced in their shopping by what is done in Montreal. We must look on all this area as the Montreal Market District, with nearly TWO MILLION people... an important market, worthy of our best efforts.

Client: And you feel that these people are logical prospects for our products?

Agency Executive: Undoubtedly! We know the 28 per cent of the people in the Montreal Market District who are NOT French are well worth cultivating. We should take no half way measures to reach the 72 per cent!

Agency Executive: Not altogether. Our selling points would be very much of the same type. But it is vitally important that the translations should NOT sound like literal translations; they must be phrased so that there is a familiar ring to the sentences. Good translators know how to put the ideas into French, rather than the words. And it is necessary to check back to make sure the facts have not been misstated. It is largely a matter of careful translation and possibly the use of a little more space, so that the type matter will not be crowded.

Client: **Two million people — 72.8% FRENCH.** That represents big business for us. And if it is worth working at all, we should go all the way to meet the situation. Work out your recommendations in detail and we will decide on a comprehensive plan.

This FRENCH market responds excellently to sales and advertising plans fitted to its needs. Full information will gladly be given by the Montreal La Presse as part of its service to manufacturers and others who wish to develop to the utmost the trade possibilities of this important section of Canada's population.

Address the Business Manager, La PRESSE, (Canada's French National Newspaper), Montreal or

S. L. Rees, 213 Metropolitan Bldg., Toronto, Ont.

William J. Morton Co. } New York Office: 200 Fifth Ave., Chicago Office: 410 N. Michigan Ave.

Clougher Corporation Ltd., 26 Craven St., London, W.C.2

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Gold . . . and the World's Money

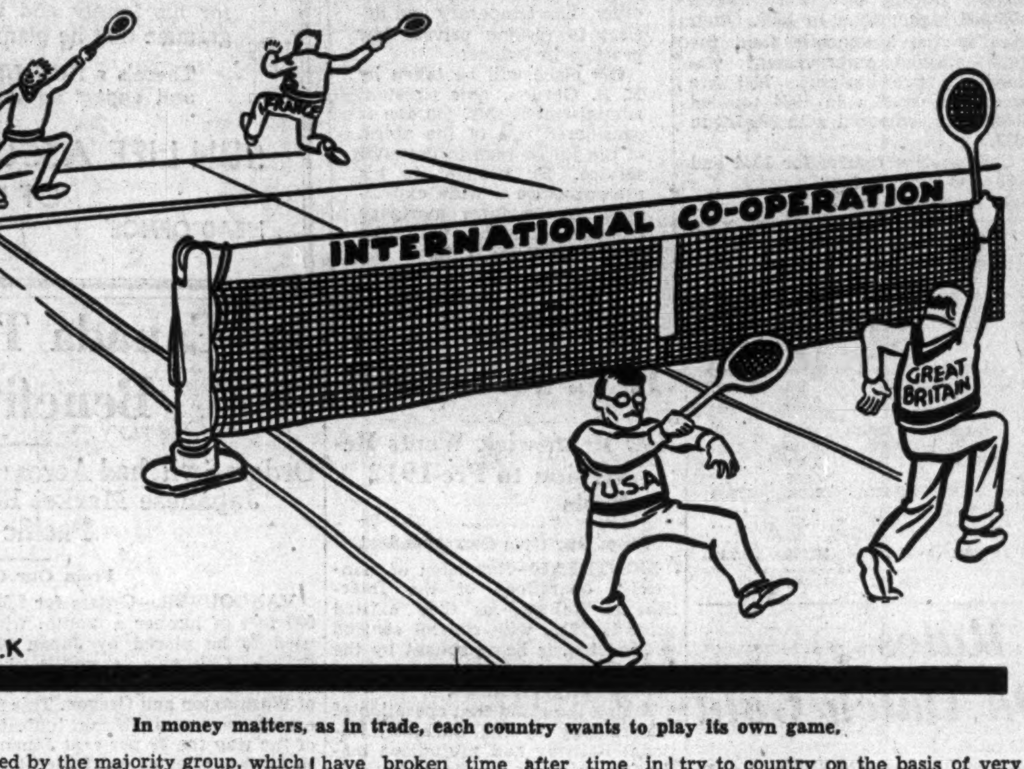
Tomorrow's Money Will Probably Not Abandon Gold Entirely but There Will Be Less Rigidity In It

By FLOYD S. CHALMERS

The old gold standard suffered mortal injury in the Great War and the battle of the peace that followed. It expired finally on September 21, 1931, when Philip Snowden introduced into the British Parliament a short one clause bill which had the effect of suspending the gold standard in Britain. Britain was the mother and the guardian of the gold standard. Her abandonment of the child brought about its immediate death from exposure. France and some other countries are still on gold but there is no longer a gold standard in the pre-war sense.

Britain's frail and crippled Iron Chancellor, when he put the measure through parliament, spoke of "suspending the convertibility of the currency" which sounded like no death sentence.

And only last year Viscount Snowden said: "At the time I write, economists, financiers and business men are talking about a new monetary system; but, personally, I have not seen any practical plan to supersede the gold standard, and when international confidence is restored and international trade recovers I believe the countries will return to an improved gold standard."



In money matters, as in trade, each country wants to play its own game.

Is Gold an Antique?

But not so is the opinion of many of the monetary theoreticians who proclaim the success of the Money Revolution. To them gold is an antique; managed money alone is of modern design and needs no gold to make it work.

Those who would write finis to the gold chapter are too impatient; they are probably a few generations at least ahead of their time. If there has been a Money Revolution it is not exactly the abandonment of gold and the enshrinement of Credit Money. More vital and possibly more permanent is another transformation, which we can describe in the recent words of the Midland Bank, of London:

"Today a clear distinction is seen between stability in terms of gold or gold currencies and stability in terms of goods—between exchange stability and internal stability. And the second is regarded as of at least equal importance with the first.

"For the time being the first is impracticable, so that the second holds the field; but it is becoming more and more clearly recognized that we cannot afford to accept the first, even when practicable, if, by so doing, we jeopardize the second.

"Clearly, this change is nothing short of a revolution . . . A new order of precedence has been applied to the objectives of monetary policy, and the machinery for translating policy into action has been vastly altered and improved."

Tomorrow's Money

It is in the light of the present-day emphasis upon internal stability—just another evidence of nationalism's ascendancy—that any enquiry into tomorrow's money must be made.

An international monetary system is one of the major aspects of world reconstruction.

The monetary problem is this: how can we provide and then operate efficiently a reasonably satisfactory currency and credit machine? The only test will be: does it work? But it must work both in a national sense and in balancing the accounts of nations.

A very impressive group of British economists said recently it is not a problem to be solved easily or finally before a distant future.

Two Money Objectives

Each nation has the problem of choosing and designing its own monetary machine. The country that wanted to and that could ignore the rest of the world might experiment all it liked, thinking only of the consequences upon its own citizens of credit expansion or credit contraction; of "sound money" or socialized credit.

But every country has to consider how it is going to get along with its neighbors; of the money its citizens must use when they trade or travel or invest or borrow abroad. So a big part of the problem of money is that of re-establishing some kind of international monetary standard.

The conflict between the rapidly diminishing friends of the old gold standard and the increasing host of "managed money" advocates is well understood. It was set forth in two recent articles in this journal. Now we may properly attempt to assess what the weight of economic and banking opinion favors as to the world money system of tomorrow.

This is difficult in view of the wide range of views held; it is hard to find an average view; to determine the weight of opinion.

Another difficulty is the unassailable fact that under present-day economic uncertainty and present-day tendencies to nationalistic policies—as opposed to world co-operation—it is futile to think of setting up any permanent system.

So the tendency is to think in terms of temporary stabilization or co-operation arrangements. But the assumption is not illogical that any tentative system may suggest the broad pattern for the system to be adopted finally.

Thus current discussions on currency stabilization plans have a long-term as well as an immediate significance. Out of temporary plans may grow permanent ones.

One Plan for Stabilization

Recently fifteen economists met in Antwerp. They came from various countries of Europe and attempted to agree upon some system by which the world could get back to at least a temporary international money system. Ten of them signed the report. Five refused to sign it because it did not take a stand for rigid adherence to the gold standard.

These five were Belgian and French representatives who could hardly go against the present policies of the governments.

It is interesting to trace in summary form the successive steps suggested by the majority group, which included Mr. Keynes, of England, as well as economists from Belgium, Sweden and Holland.

First, they wanted assurance by the countries that have already devalued or depreciated their currency that they would go no further.

Then they wanted the countries that are still on gold to devalue their currency on a basis that would provide some equilibrium with other currencies.

Let Chief Countries Lead

Having achieved this much the next step would be an international agreement, between the financially most important countries, providing for monetary stabilization. The agreement would do no more than give a guarantee that arbitrary fluctuations would be avoided. Provision would be made that exchanges would be allowed to fluctuate more than they did under the old pre-war gold standard. And even these limits of fluctuation would be provisional and subject to alteration.

In other words, the initial parities would be fixed as carefully as possible so that they would have sufficient durability to win the confidence of international traders and investors. But mistakes would be corrected where they were discovered and new conditions, if they developed, would be recognized.

Evolving Permanent Plan

It will be seen that these proposals imply only a temporary international monetary system. No doubt the economists felt that after we had had some experience of the temporary system it would not be difficult to evolve a more permanent system out of it.

The suggestions recognize two of the reasons why it is practically impossible to forecast with certainty the international monetary system of the future. One is that nations have almost universally insisted upon the right of managing their internal economies with little regard for the external value of their currencies.

The second is that any permanent measure of currency stabilization is many years off. In the meantime the whole economic and social system may be so modified as to change completely present ideas as to what constitutes the ideal form of world money.

Elliptical Billiards

Thus even those organizations, economists and bankers who urge currency stabilization think of it only in terms of very temporary arrangement. The International Chamber of Commerce thinks that bringing some stability into foreign exchange rates is vital to recovery. It says, "with fluctuating currencies, the conduct of international business transaction is like trying to play billiards on a cloth untrue, with a twisted cue, and elliptical billiard balls."

The International Chamber has looked for a currency armistice—a conditional stabilization or pegging of the exchanges. This would give governments the opportunities to review the obstacles to the functioning of the gold standard.

Limited Fluctuations

Its proposals, which have been given strong support by Sir Arthur Salter, are that the U.S., Great Britain and France, after consultation with other countries looking to them as leaders in currency policy, might agree to maintain specified ratios within, between their three currencies. There would be a reasonable margin—wider than the old gold points but limited—in which fluctuations would be permitted. At the same time the countries would definitely undertake not to aim at currency depreciation below the agreed ratio by any form of policy. Each country would undertake to support any currency that was threatened.

Secondly, the Bank for International Settlements might be entrusted with a central equalization fund to aid stabilization.

Thirdly, any national equalization funds and operations might be run in consultation for the same purpose of supporting the ratios.

Gold Will Be There

In these proposals the assumption is probably tacit that gold backing will be present. But it will be observed that a definite statement to this effect has been deftly avoided. Not so with the Bank for International Settlements. In its annual report it takes for granted that the international monetary standard of tomorrow will be based on gold as was the standard of yesterday. And its outlines of the principles of "central bank co-operation" are very largely the traditional rules of the gold standard game which nations have broken time after time in post-war years.

When Britain Managed Gold

In the debate as to whether the monetary system of the future will be the gold standard or managed money it is sometimes overlooked that even the gold standard was to a very considerable extent a managed currency. Thomas F. Woodlock, one of the special writers of the Wall Street Journal, has been in London recently and this summer in one of his recent letters he pointed out that the international gold standard of pre-war days was in a large degree rendered possible only by the influence of Great Britain. As the principal creditor nation and as the world's banker and clearing house for the trade of the world, she was in fact the mother of the gold standard. It was because she understood how it should be handled that the gold standard worked. Mr. Woodlock says:

"By means of her overseas investments and her function as a world centre for clearance of the world's trade bills, using the Bank of England's rate of discount as a governor, she kept an effective equilibrium for the best part of two generations prior to 1914.

"The lesson of the matter is that in resumption of an international gold standard there will be needed similar management of the highest skill by somebody or by more than one somebody."

But Today Is Different

When Britain was the dominant financial country and London was the world's financial capital, the problem of how to provide international management of an international monetary standard was solved. The world simply left it to London to keep the gold standard on an even keel. London accepted the task and responded nobly in the pre-war years at least.

It is not so certain that today the nations would accept Britain's dominance and control of whatever international monetary standard would be set up. There are other countries which balance British supremacy in world finance. And nationalism in money is as much a fetish as nationalism in production. The emphasis is upon domestic economies rather than upon the international exchange of goods.

Looking to B. I. S.

Britain has succeeded in making the pound sterling an international monetary standard for a very large part of the world which is called Sterlingaria. But can Britain induce France, Germany, Italy, and the United States to accept her benevolent dictatorship of finance; or can Britain even effect a measure of international co-operation that would be necessary as a substitute for her former domination of the world's money? It would be difficult. That is why bankers generally look to the Bank for International Settlements, acting as an instrument to effect co-operation between central banks, as the governor of the world monetary system of the future.

Elements of Future Money

The proposals made by Sir Arthur Salter, by the International Chamber of Commerce, and by the Antwerp economists—are provisional. They aim merely to provide a temporary and tentative international monetary standard to aid the world along to the conditions under which a permanent system can be adopted. Few people expect that the nations can agree upon a widely acceptable money standard during the next few years; there are those who look for no real co-operation for a generation or more. But the very difficulty of re-establishing either the gold standard or some suitable substitute, is offered as a reason for effecting a temporary compromise in order to avoid further widespread economic deterioration.

And it may be that the tentative plan would provide the basis of the permanent plan. Whatever is the final decision in details, it seems a reasonably safe forecast that the world's chief monetary standard of the future will have these characteristics among others:

1. It will be based primarily upon gold.

2. There will be a greater willingness to revalue gold so as to maintain from time to time greater world and national price stability. Some system will be sought to prevent a fortuitous discovery or an apparent shortage from having a world-wide inflationary or deflationary effect.

Under Gold Points

3. The "gold points" will be wider and gold will not move from country to country on the basis of very minor differences in exchange.

4. Countries will reserve a greater measure of autonomy as regards their own money and possibly few can be trusted not to devalue their currencies to avoid a major period of readjustment. But the aim will be a change of parities only when there has been a real change in underlying conditions.

5. Central banks will play a major rôle in currency management. In turn central banks will be more and more under national and political pressures which is going to make the maintenance of any international system very difficult.

6. Through the Bank for International Settlements or some other agency there will be a greater measure of co-operation between central banks. One of the aims will be to prevent disturbances due to panic movements of capital and other abnormal conditions.

7. Gold will undoubtedly disappear almost entirely as a circulating medium and will remain little more than a bankers' or international money.

Economic Policies Count

But always we come back to the question of the economic policies of the nations, which can make or mar any system. Money is but the servant of business. There cannot be world trade and world investment without a world money system. But a world money system alone will not make world trade and world investment possible.

A study group of the Royal Institute of International Affairs puts the problem this way:

"The economic world of today can be examined from two aspects. From one point of view, it is a single economic unit which allows of specialization on an international basis, and provides the largest—and therefore most economic—markets. From another point of view it is composed of a mosaic of separate units, each with its own government, its own monetary system, its own population, and its own indebtedness, which cannot be transferred.

"Corresponding to these two aspects are the two aims which monetary policy must seek to serve: on the one hand, to minimize disturbance in the terms on which the currencies of different national units exchange against each other, so that it is possible to gauge investment opportunities on a world basis and not merely on a narrow national basis; on the other, to preserve a reasonable continuity of values throughout the different national units.

"Neither the two aspects, nor the two aims, are completely contradictory one to another. The economic world is at the same time both national and international, and any projected monetary arrangements must recognize these facts. Only from a very narrow point of view are internal continuity of values and external stability a contradiction in terms; in fact, it is truer to say that they are complementary, since neither can be attained if the other is completely ignored. Monetary policy must seek to harmonize these two aims as far as possible."

"If"—and Another "If"

If the nations pursue the phantom of extreme economic nationalism, an international monetary system will be almost unnecessary and certainly unstable. If there is any measure of return to the international division of labor, to specialization in production, to co-operation between the nations, then a world money system—or some method of balancing the books of international thare—can be devised and made to work.

Without a "flexible equilibrium," without a "freer flow of the tide of international transactions," there may never be real Recovery. This thesis is disputed by the more advanced nationalists but it is difficult to down.

Needed Internationally

A world monetary system is essential to an international world. It is not important that it be one particular system or another so long as it works. We have assumed that it will include gold in a major rôle. But it will never be the old, rigid gold standard, a standard which was so strict in its demands that it led Britain to make one of the major blunders of post-war years; the return to the gold standard in 1925 at the old—and the wrong—parity.

The difficulties of obtaining international agreement on anything are well known. But a start could be made on an international money system with as few as three nations—Britain, France and the United States—for each of these countries leads and dominates a group—the sterling group, the gold group, and the dollar group. Bring in Japan, Germany and Italy and there would be more monetary co-operation than even the old gold standard truly witnessed.

Start Can be Made

As Dr. Alonzo E. Taylor puts it in his book on "The New Deal and Foreign Trade":

"The policy of monetary reform involves initially only the acceptance of concordant policy by a few of the leading countries. In the very nature of the negotiations a few countries can get together on a monetary policy far more easily than a large number of countries can get together on a tariff policy. Just as a group of countries followed the United Kingdom in the use of sterling when that country left gold, so a far larger group would at once follow the leadership of the key countries in a reform of monetary policy. This leadership, in the nature of things, must lie within the net-creditor countries."

This is the third and last of three articles on the international monetary system of the future.

Is It a Stock Boom?

Market Experts Foresee Continued Upward Trend of Prices —Doubters Cite Financial and Political Uncertainties

Optimism over prospects for rising prices of Canadian and American common stocks is dominant in current forecasts of long-term economic and stock market tendencies.

Among the omens taken to indicate a rising trend for share prices are the following:

Better agricultural outlook;

Reversal of governmental regimentation in U.S.;

Inflationary cheap-money, credit expansion especially into securities;

Signs of revival in building and capital goods industries;

Cumulative and confidence-inspiring effects of improved business;

Technical trend upward of stock prices in the U.S. to which Canadian markets are peculiarly sensitive.

Unfavorable Factors

Then, of course, there are factors in the Canadian and international situation which cannot be interpreted favorably in their effects on stock market prices. They include:

Political disturbance arising from forthcoming national elections in Canada, Great Britain and the United States;

Persistence of many socialistic, paternalistic political theories;

Unstabilized currencies which leave room for international financial disturbances;

Unbalanced governmental budgets, inflationary, but tending to weaken business confidence;

War threat in Ethiopia and armament scares in Europe;

Seeming rigidity of barriers to international commerce;

Possible weakening of technical position of stock markets due to recent advances;

Slackening of the pace of business improvement.

Forecasters' Views

Most stock market forecasters give considerably less weight to these adverse elements than to the constructive forces. The tendency of forecasters seems to be to count on the impetus of recovery to generate its own power for the near-term at least.

Consequently, the prophets have it thus:

Stock prices should rise over the next few months, although technical set-backs may occur from time to time;

For the longer trend, a year or two, stock prices are definitely aiming upward. The only question is whether they will hit the moon.

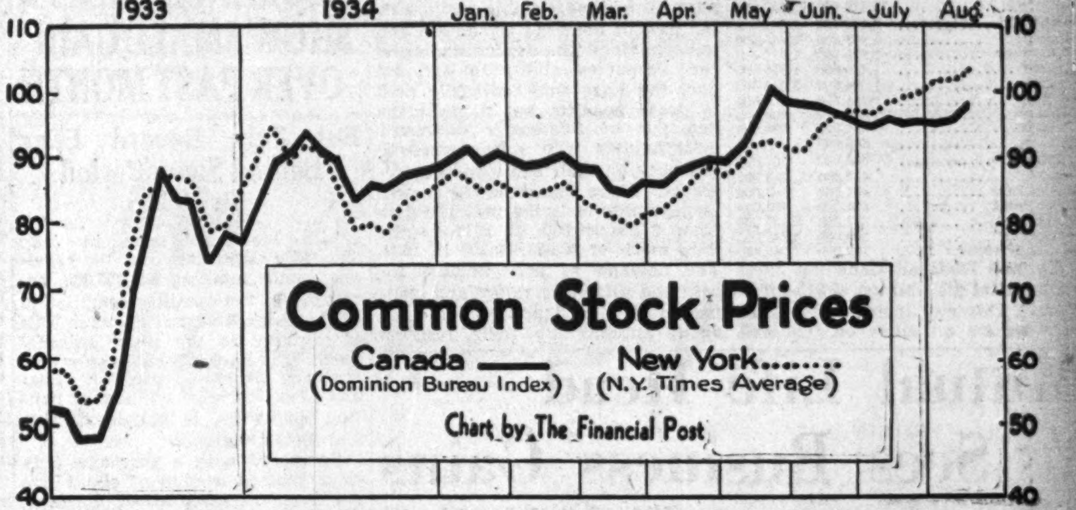
For a still longer period there is enough uncertainty to warrant great watchfulness and care.

London Opinion

As a text of bullishness, the foreign letter of Whaley-Eaton Service, Washington, remarks:

"Various London financial interests, for themselves and in behalf of continental investors, have been making special studies of conditions and prospects in the United States. Their almost unanimous verdict is: 'An American boom is inevitable.' . . . London expects the American speculative boom to begin this fall and to last for at least a year."

From the viewpoint of the Canadian investor and of the stock market trader, the significance of this London optimism is that . . . if London opinion is right . . . it might just as well have been said of Canadian conditions.



Close relationship between Canadian and American stock market "averages" is indicated in the chart above. For American prices, an average of the New York Times averages is used. It will be noted that Canadian prices have varied from Wall Street for three months. The inter-relationship of stock price trends in Canada and the United States indicates the importance of American market trends to investors in Canada. Hence the application of American analyses to Canadian markets in the accompanying article.

Canada and U.S.A.

The accompanying chart shows how closely Canadian stock market prices follow those in the United States. While fundamental factors influencing Canadian business conditions are more of an international character than those affecting American business, a boom in the United States almost inevitably generates similar conditions in the Dominion. A boom in Wall Street similarly tends to re-create itself in St. James Street, Bay Street and Hastings Street, at Montreal, Toronto and Vancouver.

Another significant feature of the chart is the lag of Canadian stock market averages behind the American. The recent boomlet in Wall St. carried American averages much farther ahead than the Canadian figures. If, after this week's set-back, New York stocks resume their recent rise, Canadian shares will still have to gain ground to get back to their normal relationship to U.S. levels.

Upward With Dow

Dow-Jones averages are a favorite medium of interpreters who look through the seemingly opaque crystal of the stock market into the future.

This is the brief analysis of movements by Investment Letters, Inc., specializing in market diagnosis with the Dow-Jones stethoscope:

"Long-term trend of stock prices and business, under Dow's theory, reversed to an upward direction in the summer of 1932. This was confirmed (by movement of the 'averages') in the summer of 1933. Nothing has since recurred to indicate the primary trend as other than in a continuing upward direction.

"Signal of a reversal in the main movement of prices and business to a downward direction would not be given unless the Dow-Jones closing railroad and industrial averages should break under the major support points."

The Dow-Jones rail and industrial shares averages are well above the "major support points." One difficulty with this system of forecasting is that by the time a reversal of trend is indicated, the investor may already have suffered heavy losses.

Bullish on Short-term

Here, however, is the same firm's analysis of the short-term (up to several months) trend in Wall St.:

"Short-term trend of stock prices is upward. Ability of the railroad average, on June 14 to penetrate decisively its April 26 rally top, confirmed previous buoyancy in the industrial list . . . Market irregularity and corrective recession during the progress of the advance is not precluded."

This week there has been a set-back in New York. It is taken to mean that speculative over-discounting of possible future business gains may be prevented. Again quoting Investment Letters, Inc.:

"A normal technical correction, if coming now, would stamp out the speculative fever before the contagion has been too broadly contracted by the general public. The market would then be in a position to resume its discounting of the favorable autumn outlook without early danger of the speculative over-discounting that always ends in disaster."

More Forecasting

As yet, the reaction in New York has not measured up, or perhaps it should be "measured down," to the technical decline deemed necessary. So the month-trend augurs really hope for some further retreat of prices as a protection for a big forward push in the autumn.

The well-known "Trader" writing in Barron's thinks the recent boomlet in Wall St. has to run its course. The current speculative fever, for that reason ought not suddenly to die out, he thinks.

Looking farther ahead, however, the same market seer suggests that one of these days the rush of speculation will blow the top off prices. Then, he says, the careful investor will have to guard against being led astray by greed and the easy-money mirage. Such a development, he suggests, might be the dawn of a major market set-back.

This still leaves the longer-term forecasters where they started. These seem to be their fairly general conclusions:

A moderate set-back for stock prices now should leave the way clear for further advances later this year or next;

If there is no such early reversal of prices, the boomlet may destroy itself.

Canadian Optimism

Meanwhile, in Canada, stock brokers are engaged in writing, and mailing to arm-long clients' lists, letters couched in pre-crash terms.

These brokers are sincere in their optimism. They survive most comfortably who make money for their clients. Seemingly, however, there is confusion in the reasons advanced for predicting higher stock prices.

On one note there is general harmony. Business has been getting better so why should it not gather its own momentum? This reasoning is negative in that it omits to give adequate cause for rising prices. It apparently reflects a bullish psychology. And those who recall 1928 and 1929 will remember that state of mind alone was the major factor which enabled stocks to run up to what now seem fantastic prices.

Economic Requisites

So much for stock market technicalities.

If a boom in shares is coming, it may require some small economic justification. The world is still depressed. It is the expectation that depression will lift of its own accord, if business is left alone, which inspires many forecasts of higher stock market prices.

That North America's farmers are likely to do better this year is widely accepted as a favorable influence for business in general. Already increased farm buying power has made itself felt. Witness rising sales of agricultural implements in both Canada and the United States.

Still, however, the buying increases have been mostly in consumer goods industries, food, clothing, and other items of daily consumption. What the experts want to see is revival of capital goods trades, buildings, machinery, iron and steel.

Stock market and economic forecasters are almost unanimous in requiring that capital goods revive in order to make business recovery solid. Already, in Canada and the United States, building has been having a little recovery. In Britain building has virtually developed into a boom.

Cheap Money Influence

The source from which further advances of capital goods trades is expected to emanate in North America is cheap money. Unfortunately, it cannot be foretold just when the effect of cheap money will be to result in new contruction.

So far, low interest rates have merely resulted in refinancing of existing debt. In order to stimulate new construction of all sorts, the low rates must attract new borrowers, say the authorities. Both British and American experts are agreed that a large back-log of demand for new construction has been built up because of its absence in the depression period. The question is: When will it develop?

Cheap money is also looked upon as one of the potentially bullish factors in the stock market. As rates on bonds and highly-esteemed preferred shares decline, the demand for good-yielding stocks should increase. So goes the reasoning. It cannot be denied that funds for speculative loans are ample.

Dangerous Uncertainties

Despite all the favorable factors cited as ground for advancing stock prices, there remain major uncertainties which are conceded to be dangerous to the measure of recovery which has already occurred.

First in line is the North American political trend to socialistic "reforms." Particularly is this feared by market commentators in the United States. Only this week, passage of what is considered radical legislation in the United States gave Wall Street the jitters. Not a day passes without expression of nervousness from American investment commentators on what is considered anti-business legislation.

The N.R.A. and the proposed U.S. bill to curb public utility holding companies are recent examples of legislation which was considered adverse to business recovery. Similar legislation in a legion of disguises is being tried or proposed in Canada.

Then there are election uncertainties.

In spite of political promises that "if you'll elect me, business will be better" investors are sceptical. Many promises are being made in Canada, and will soon be made by candidates in the United States. From the investment viewpoint, too many of these promises smack of further legislation to hamstring business initiative and recovery.

Currency Instability

One of the most dreaded uncertainties behind stock markets and business is currency instability. In particular, the gold bloc is feared as a vulnerable point.

Memories of the financial cataclysm which followed Britain's suspension of the gold standard in 1931 are still vivid. If the gold bloc falls, will a similar disturbance be initiated?

There are some authorities who actually hope for a gold bloc breakdown. Others think stabilization of currencies even at present levels would be a greater aid to business recovery than any further disturbance to international finance.

One seeming certainty about currency uncertainty is that it undermines confidence. Also it undermines international trade, in the opinion of many famous authorities. So, a major stock market advance may depend on this conundrum of finance.

Budget Nervousness

Unbalanced government budgets in North America and abroad also create fiscal uncertainty which undermines confidence. Armament expenditures by Germany, Italy and Japan contribute heavily to budget deficits and double the fears of nervous finance. The U. S. deficit is one of the most persistent subjects of discussion for American pessimists.

Cheerful souls hope that business recovery will solve the budget problem. Some forecasters interpret the deficits as inflationary and therefore bullish in their influence on stock prices. The majority of men of commerce in North America and abroad, however, look on budget deficits as dangerous to their enterprises. Many of them fear more taxation, more regulation, as result of bad budgeting. The New York Annalist is persistent in its claim that in this respect the U.S deficit hampers business recovery. The Financial Post has been equally firm in its editorial conviction that Canada's deficits hurt recovery. This reasoning is based on historical precedent.

On balance, North America seems optimistic more often than pessimistic. Perhaps for this reason, analysts of stocks market movements and economic trends give the balance of power to forces for recovery.

Despite uncertainties and even despite the actual adversities which exist at present, the "coming American boom" is still being widely anticipated. If and when it comes, Canadian stock prices may follow Wall Street as they have in the past. This is the confident prediction of many Canadian investment letters of the past two months. For Canadian stock markets, much seems to depend on time, tide and Uncle Sam.

Newsprint Sales

Production and Shipment Figures for July Show Favorable Trend Continues

From Our Own Correspondent

MONTREAL. — July newsprint production figures, released by the Newsprint Service Bureau, are welcomed by holders of newsprint bonds and shares, inasmuch as they show further increases in production and shipments.

Last month Canadian mills turned out 234,266 tons of paper and shipped 226,445 tons. This is in contrast to 208,238 tons of production and shipments of 199,926 tons in the same month a year ago.

American mills did not fare so well last month, output amounting to 73,108 tons as against 76,184 tons in July a year ago. Shipments on the other hand increased from 70,133 tons to 71,070 tons.

Newfoundland mills turned out 29,336 tons last month, an increase of approximately 2,000 tons over that reported a year ago. The Mexican mills reported a small decline in production, so that the total North American output production for the month amounted to 338,643 tons. This compares with 313,767 tons for July, 1934.

Canadian mills produced 47,638 tons more in the first seven months of 1935 than in the first seven months of 1934, an increase of three per cent. The output in the United States was 32,387 tons or six per cent less than for the first seven months of 1934. Newfoundland reports an increase of 12,229 tons, or seven per cent, and Mexico 636 tons more, making a total increase for the North American continent of 28,115 tons or one per cent.

Change in Stocks

Stocks of newsprint paper at Canadian mills were reported at 65,705 tons at the end of July, and at the United States mills 18,721 tons, making a combined total of 84,426 tons. This shows a slight decrease as compared with that reported at the same time a year ago.

There is a notable change in the stocks on hand. Supply at the United States mills during the past year declined from 30,174 to 18,721 tons, while Canadian supplies increased by practically 10,000 tons.

July Commodity Prices Record No Net Change

Five hundred and sixty-seven commodities showed on average no net change in price as a result of July transactions. The Dominion Bureau of Statistics index remained unchanged from the June figure of 71.5. Minor gains in the vegetable, animal and fibres groups were offset by losses in the iron and non-ferrous series. A decline in cattle prices during the month is attributed to hot weather conditions and a narrowing in price ranges between Canadian and United States markets which decreased export demand. Raw silk rose to a new high for the year to feature individual quotations; wheat was also higher at the month end due to unfavorable crop developments.

Life Insurance News

Big Benefits

Life Insurance Companies in Canada Distributed $110 Millions in 1934—One-third in Chief Cities

Life insurance companies in Canada distributed $110 millions to their policyholders and beneficiaries during 1934, according to figures given The Financial Post by the Federal insurance department at Ottawa. The corresponding figure a year ago was $122 millions.

Of the 1934 total:

$27 millions was paid in death claims.

$7.7 millions in matured endowments.

$1.7 millions in disability claims.

$51 millions in surrender values.

$22 millions in dividends to policyholders.

$1.7 millions in life annuity contracts.

Annuity Payments Rise

With one exception, payments under each of these headings was lower than a year ago. The exception is annuity contracts, the 1934 payments being the largest on record and comparing with only $1.5 millions distributed the previous year.

The largest decline in payments compared with a year ago was in cash surrender values which were lower by $8.5 millions than in 1933. An interesting item is dividend payments to participating policyholders which have declined steadily in amount since the high point of $30.7 millions in 1931.

Figures by Cities

Analysis of policy payments and distributions by chief Canadian cities is also available in the annual compilation made by National Underwriter of Cincinnati. This publication lists sixteen Canadian cities and St. John's, Newfoundland (which incidentally is listed as part of Canada) as distributing more than $300,000 during 1934.

Comparative figures for the Canadian cities and St. John's which reported payments above $300,000, follow:

Life Insurance Distribution by Cities

	1934	1933
	$	$
Toronto	15,360,000	15,386,000
Montreal	8,145,000	5,845,000
Winnipeg	1,971,000	2,465,000
Vancouver	1,956,000	1,713,000
Quebec	1,435,000	1,575,000
Ottawa	1,074,000	1,935,000
Halifax	845,000	440,000
Calgary	843,000	498,000
London	811,000	836,000
Victoria	645,000	......
Edmonton	636,000	387,000
Regina	452,000	183,000
Moose Jaw	411,000	183,000
Westmount	407,000	693,000
Outremont	371,000	133,000
Kitchener	309,000	248,000
St. Johns (Nfld.)	302,000	285,000

Toronto leads all Canadian cities with a total distribution of $15.4 millions. This city incidentally ranks 13th among all cities on the continent. Montreal reports $8.1 millions while Winnipeg and Vancouver rank next with just under $2 millions each.

The seventeen cities are credited with distributing $34 millions against $32.7 millions a year ago. This is about one-third of the total distributed by companies registered with the federal insurance department at Ottawa.

Thirteen of these cities report larger payments than a year ago. Several cities which reported payments of $300,000 or more a year ago are not shown this year, notably Hamilton, Ont.; Forest Hill Village, and Windsor.

Fewer Names

Only seven Canadians are shown to have distributed life insurance estates of more than $30,000 according to this record. Last year there were 12 such distributions reported, two of which were over the $100,000 mark.

The names recorded are:

Individual Payments, 1934

	$
Dr. Arthur Rosseau, Que., P.Q.	62,004
Arthur H. Grier, Montreal	60,230
Wm. G. Mulock, Winnipeg	42,500
Rob't W. McLarty, Toronto	40,000
Oliver N. Drouin, Que., P.Q.	36,000
Euclid Bonin, Port Arthur, Ont.	35,000
Arthur P. Procter, Vancouver	35,000

Total Over Three Billion

Total benefits distributed to life insurance policyholders and beneficiaries in Canada and the United States according to this compilation are placed for 1934 at $3.1 billions. Of this amount death claims, matured endowments, annuities, disability and additional accidental death benefits totalled $1.4 billions compared to $1.4 billions the year before. The payments of premiums savings and cash surrender values amounted to $1.7 billions last year compared to $2 billions in 1933.

"Although the total paid to policyholders in 1934 was less than the year before," says National Underwriter, "the condition reflects a stronger and more stable position on the part of both the companies and policyholders. The depression tested the companies' ability to pay, not only the huge sum ordinarily paid in death benefits, but to meet the demands of financially distressed policyholders who were forced to fall back on their life insurance reserves. There was a marked growth in paying to living policyholders from $1,297,000,000 in 1930 to the high mark of $2,088,400,000 in 1932. The demand of policyholders for cash and surrender values and loans has subsided and policyholders are again building up their reserves which should be regarded only as funds to rely on in case of dire emergency.

"The lower total payments to policyholders was also due somewhat to the reduction in dividends by participating companies because of the lower prevailing interest rates on investments. The reductions in dividends have been taken in the right way by policyholders who realize that it is far better to receive a safe and conservative return rather than have the companies pay out more money than they are earning and be forced to reduce their voluntary reserves."

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Wawanesa — Can. General

Would you tell me whether you consider the Wawanesa Mutual Insurance Co. and the Canadian General Insurance Co. desirable firms to deal with as regards settlements in case of fire losses?

Both the Wawanesa Mutual Insurance Co. and the Canadian General Insurance Co. are leading Canadian concerns. They are both registered by the Federal Insurance Department at Ottawa and maintain deposits for the protection of policyholders, which equal the amount of unearned premiums outstanding.

Originally a western farm mutual, the Wawanesa Company has for some years now extended its operations throughout Canada, and is Canada's largest fire insurance mutual.

The Canadian General is one of a group of companies under the management of W. P. Fess. The company has showed steady improvement in its position in recent years. There should be no difficulty with either of these companies regarding prompt settlement of claims.

INSURANCE SALES SHOW SMALL GAIN OVER PAST MONTH

But July Record Lags Behind Same Period in 1934

Life insurance sales in July showed a slight gain over the previous month totalling $32,155,000, according to the monthly compilation of the Sales Research Bureau. This is contrary to the usual seasonal trend. The figures include only new ordinary business (paid-for basis) and is exclusive of annuity or pension bond sales. It includes Canada and Newfoundland.

Compared with a year ago, July sales showed a drop of about five per cent. In three areas, however, namely British Columbia, Saskatchewan and Manitoba, sales this year were ahead of the same total a year ago.

Cumulative Total Lower

Cumulative figures for the first seven months of the year show total sales of $213.8 millions compared with $221.2 millions in the same period of 1934. This indicates a decline for the year to date of about 3.4 per cent.

United States figures for July show new ordinary business in that month was 2.7 per cent lower for the same month a year ago. However, total new business in all types was 30 per cent higher due to a spectacular increase in group insurance sales which soared 472 per cent to the phenomenal monthly total of $268 millions.

Comparative figures for Canada and Newfoundland follow:

Sales of New Paid For Ordinary Life Insurance

(A) Sales by Areas

	July, 1935	June, 1935	July, 1934
	$	$	$
B. C.	2,268,000	2,239,000	2,253,000
Alb.	1,382,000	1,179,000	1,437,000
Sask.	1,285,000	1,126,000	1,175,000
Man.	1,710,000	1,844,000	1,706,000
Ont.	14,336,000	14,559,000	14,408,000
Que.	9,738,000	9,020,000	9,955,000
N. B.	673,000	666,000	933,000
N. S.	1,243,000	977,000	1,510,000
P. E. I.	73,000	119,000	161,000
Nfld.	323,000	302,000	413,000
Total	32,155,000	32,112,000	33,951,000

(B) Sales by Months, 1933-35

	1933	1934	1935
	$	$	$
Jan.	29,928,000	27,728,000	32,988,000
Feb.	28,095,000	29,036,000	28,716,000
Mar.	31,768,000	32,564,000	31,416,000
April	30,591,000	33,296,000	28,900,000
May	31,916,000	33,184,000	27,423,000
June	34,114,00	32,277,000	32,112,000
July	32,165,000	33,951,000	32,155,000
Aug.	29,749,000	26,659,000	......
Sept.	27,443,000	26,123,000	......
Oct.	33,434,000	31,342,000	......
Nov.	36,061,000	35,863,000	......
Dec.	38,967,000	37,691,000	......

Figures represent new paid-for ordinary business by 19 companies having in force at Jan. 1, 1935, 90 per cent of the total business in force in Canada. Figures represent both Canada and Newfoundland and are prepared by the Sales Research Bureau, Hartford, Conn.

Mutual Life Head Sees Business Gains

But President R. O. McCulloch Warns of Need for Ending Governmental Deficits—A. E. Pequegnat Tells of Company's Sound Business

THREE-DAY CONFERENCE OF LEADERS CLUB

The Leaders Club of the Mutual Life of Canada opened a three-day conference this week with an address by Mr. R. O. McCulloch, President of the company.

After referring in a general way to the personnel of the club, Mr. McCulloch discussed at some length conditions in Canada, pointing out some definite signs of a general improvement as illustrated in the increase in building permits, and in tax collections both Federal and Municipal. He emphasized the enviable position Canada holds among the trading countries in the world in export trade, and expressed the conviction that as soon as confidence is re-established in the minds of the people, industry will pick up and the very pressing problem of unemployment would be on the way to solution.

Excessive Government Cost

He also expressed the opinion that the cost of government in a country with as limited a population as Canada is excessive, and any steps taken to lighten the load would be welcomed. In referring to the necessity of balancing budgets, he said:

"May I repeat that we have exceeded the limits of our spending and must eliminate our deficits before confidence can be restored. As you know, at the present time we have cheap money, and there is a great shortage in heavy goods equipment. With low interest rates and a renewal of confidence, the stage is set for a complete recovery and the end of the depression. Great Britain is an outstanding example. She balanced her budget and confidence was restored there, with the result that there is prosperity in Great Britain and her unemployment has been reduced by more than a million.

"Canada is a young country which offers great opportunities. Our natural resources are practically unlimited and we have a virile people. I am convinced that we are on the threshold of business expansion greater than we have ever seen, and that this will arrive as soon as confidence is re-established."

Progress During Year

Mr. A. E. Pequegnat, Assistant General Manager, reviewed the Company's progress during the past twelve months. He pointed out that the high esteem in which the institution of life insurance is held on this continent, and especially in Canada as a result of its unblemished record during the trying depression years, is the portion of the Mutual Life of Canada to a marked degree.

He stated that, undoubtedly, it cannot be too strongly emphasized that confidence is the element most needful at the present time to restore equilibrium to a topsy-turvy world, and it is well to remember that confidence is synonymous to a sense of security, which, in turn, is the cardinal virtue of life insurance.

Therefore, reversing the logic, life insurance, having abundantly justified its claim to absolute security by its integrity throughout the past six years of severe trial, is almost certain to prove a most potent factor in the restoration of public confidence which is so essential to the economic, social and spiritual welfare of our nation and the entire civilized world, Mr. Pequegnat stated.

Having successfully combatted the cyclonic economic storm of several years past, it is only natural that the company is able to report steady progress in these latter days when the trend points strongly to calmer waters. The strain on the business in force through terminations which may be termed avoidable, is steadily declining, and a marked reduction in the amount of policy loans negotiated, either for cash or premium payment purposes, in conjunction with largely increased repayments, is assisting greatly in removing the hazard of lapsation.

Holds Dominant Position

In the matter of new policies issued and paid-for during the past seven months of the calendar year, the company continues to hold a dominant position in respect to Canadian business to which field its activities are confined. Its production thus far this year stands well above the average of Canadian companies. It continues to hold its proud record for economy in management, and its mortality experience for the year to date is somewhat more favorable than the previous year.

In the realm of invested assets, the dearth of remunerative investment is having its effect on the interest earnings of the company, but as the investments of the current year have been almost entirely confined to government securities, mostly Federal, the asset structure of the company is thereby strengthened. While it is obvious that a continued era of low interest returns on prime investments cannot fail to increase the net cost of life insurance, which depends so largely on the interest return which can be obtained on the reserves held for the security of policyholders, this same trend increases the market value of the vast fund of securities already owned and makes assurance doubly sure.

Aid For Creditors

The company is manifesting sympathetic co-operation with the various efforts being exerted by governmental authorities to relieve the burden of debt carried by creditors who find their position untenable, and many satisfactory results have already been achieved. The company continues to play a highly significant part in the economic and domestic life of our nation, is gaining every day a higher place in the national consciousness, and the leading producers of the company were urged to devote themselves to the presentation to the Canadian public of life assurance as the safe and sane way of promoting thrift, which has proven during recent years to be so essential to the well-being and self-respect of any people, and, at the same time, provide the protection to home and loved ones which alone can inspire the sense of security which engenders national unity and community responsibility and perpetuates the traditions of individual liberty which we all hold dear.

This is the twentieth anniversary of the formation of a production club in the company. It is interesting to notice that of the thirty-six original members, twenty-two are still active members of the company's organization, and ten others have died while still in the company's service.

Montreal Agent Heads Producers Of London Life

I. Riddell, of Montreal, has been elected president of the London Life Production Club for 1935-36.

Vice-president of the ordinary branch is A. P. MacLean, of Regina.

P. Cormier, of Sydney, is vice-president of the Industrial branch of the club.

The company reports that 92 producers qualified this year for the "24 K" Club. This is the largest number since 1925.

The convention will be held at the company's head office at London on August 26.

The office of general secretary of the club, left vacant by the death of J. S. Lovell, has been filled by the appointment of J. H. Castle Graham, director of Field Service. E. E. Reid, managing director of the company, is regent of the club.

This year's membership includes 53 industrial producers, 38 ordinary underwriters, and one group insurance member. The city with the largest number of members at the convention is Montreal with a quota of 16. The member with the longest period of continuous membership is C. R. Hoskins, of Sarnia, who is a member of the club for the twelfth term.

Fire and Casualty News

Lloyd's Quebec Volume Shows Increase In 1934

In the second complete year of operation in Quebec, Lloyd's Non-Marine Underwriters wrote a larger volume of automobile insurance premiums than was written by any other company in that field, official figures for 1934 released in the summary report of the Insurance Superintendent of Quebec show.

Net automobile premiums written by Lloyd's in 1934 amounted to $377,162 and net premiums earned to $330,209. This represents a marked increase over 1933 when net premiums written amounted to $259,780 and net premiums earned to $246,877. The ratio of net losses incurred to net premiums earned was 49.9 per cent in 1934 and 46.9 per cent in 1933.

In second place in the automobile field is The Provident with net premiums written of $267,384, net premiums earned of $210,747 and an earned net loss ratio of 79 per cent.

Total premiums written in all branches of insurance by Lloyd's in Quebec during 1934 were almost $200,000 higher than in 1933. Other than in the automobile field the most marked improvement was shown in fire business. Net fire premiums written in 1934 totalled $148,666 as compared with $92,832 in 1933.

Comparative figures for 1934 and 1933 are given below:

Lloyd's Non-Marine Underwriter Business in Quebec

	1934 Net Prem. Written	1934 Net Prem. Earned	1934 Earned Loss Ratio	1933 Net Prem. Written	1933 Net Prem. Earned	1933 Earned Loss Ratio
	$	$	%	$	$	%
Fire	148,666	126,332	45.8	92,832	89,920	35.8
Automobile	377,162	330,209	49.9	259,780	246,877	46.9
Accident	4,405	3,451	13.9	2,498	.....	.....
Accident & Sickness	55	113	.....	300	168	1,535.7
Aviation	6,464	4,876	.....	2,494	1,496	400.9
Burglary	18,104	17,105	3.12	13,606	12,936	18.5
Forgery	2,727	1,938	.....	755	453	.....
Guarantee	8,490	8,678	7.19	5,788	9,726	.87
Inland Marine	.....	5	.....	.....	.....	.....
Inland Transport	1,451	1,490	1.69	1,548	1,932	.36
Liability	12,629	12,976	.....	13,498	9,428	.07
Livestock	2,252	1,881	191.4	1,326	1,161	.....
Plate Glass	.....	300	.....	750	450	.....
Property	5,416	4,134	0.55	2,211	1,960	118.71
Sickness	4	2	.....	.....	.....	.....
Steam Boiler	3,239	2,171	.....	569	356	.....
Weather	3,287	2,011	.....	97	97	.....
Miscellaneous	30,981	32,226	18.1	37,266	30,602	7.38
	625,750	550,716		438,171	410,060	

High Insurance Rates Quoted On Dutch Gold

High insurance rates were quoted on Dutch gold shipped from Rotterdam to New York during the guilder crisis in the Dutch steamer Blomersdijk, of 6,855 tons gross, according to the Eastern Underwriter of New York. Various reinsurances were placed in the London market. About $10,000,000 in gold was shipped. In regard to the rates charged the Eastern Underwriter has the following to say:

"Compared with the ordinary rate of one shilling per £100 quoted for the North Atlantic passage by the fastest liners, as much as 3s. 6d. per £100 was paid for a proportion of direct cover. This higher rate was due partly to the fact that the Blommersdijk is propelled by only a single-screw. Marine underwriters made it clear during one of the earlier periods when gold was being transported across the North Atlantic in large amounts that only shipments by liners with more than one screw could rank for insurance at the minimum rates of premium. Obviously a vessel fitted with a single screw is more liable to the risk of delay than a multiple-screw vessel.

"There was comment in the insurance market on another shipment of gold from Rotterdam to New York in an even smaller turbine steamer—the American-owned Black Hawk, formerly the Saco, of 4,988 tons. The Black Hawk is carrying about $5,000,000 of gold. Certain insurances have been effected to cover shipowners' liability. The steamer was built at Hog Island, Pa., in 1919, and, like the Blommersdijk, she has neither the distinguishing marks in the Register Book of a passenger or twin-screw vessel. Additional rates have been paid for insurance of the gold she carries.

"No special knowledge of insurance is needed to realize that there is a considerable difference between the circumstances of gold carried in the largest and fastest liners driven by three or four propellers and in single screw vessels. Some insurance contracts specially exclude shipments by vessels of the latter class at the normal minimum rate of premium, and the tendency is likely to be for underwriters to make it clear beyond question in all cases that any such shipments must be treated separately. This applies to the London and Liverpool markets at least."

FIRE LOSS RATIO IMPROVES IN 1934 FOR QUEBEC FIRMS

Joint Stock Companies Get 83 Per Cent of Premiums

Fire insurance underwriters operating in Quebec experienced a much better year in 1934 than in 1933, a summary report issued by the insurance branch of the provincial treasury department shows.

While premiums written were slightly lower than in 1933 loss ratios showed marked improvement, the average ratio of losses incurred by all companies to net premiums written being 48.4 per cent in 1934 as against 67.4 per cent in 1933.

Total net premiums written by all companies totalled $12,799,863 in 1934 as compared with $12,764,819 in 1933. Net premiums earned, on the other hand, amounted to $13,124,804 in 1934 and $13,166,192 in 1933. Net losses incurred in 1934 were much lower than in the previous year, amounting to $6,347,697 as compared with $8,602,671 in 1933.

As usual the joint stock companies accounted for over 80 per cent of the business, net premiums earned by these companies amounting to $10,942,699 as against net losses incurred of $5,603,299, giving an earned loss ratio of 51.21 per cent.

The lowest earned loss ratio is shown by the Associated New England Factory Mutuals. This group's ratio was 13.5 per cent while the second lowest was the Counties and Ecclesiastical Mutual group with a ratio of 33.4 per cent.

A recapitulation of fire insurance premiums and losses in Quebec in 1934 is given below:

Fire Underwriters in Quebec

	Net Prem. Earned 1934	Ratio Net Losses Incurred to Net Prem. Earned 1934	1933
	$	%	%
Joint Stock Co's.	10,942,699	51.2	67.5
Mutual Companies Counties & Ecclesiastical	289,026	33.4	94.3
Associated New Eng. Factory Mutuals	426,800	13.5	10.3
Other Mutuals	275,164	33.7	62.8
Cash Mutuals With Share capital	1,030,819	46.3	55.3
Without Share cap.	120,294	46.9	102.7
Total & average	13,124,804	48.4	67.4

Portage Mutual Withdraws from B. C. Auto Field

Portage La Prairie Mutual Insurance Co. has discontinued the writing of automobile insurance in British Columbia and has reinsured its policies in force in that province with The Wawabesa Mutual Insurance Co., according to an official announcement.

The action of Portage La Prairie Mutual Insurance in withdrawing from the automobile field in British Columbia is in accordance with the decision made by the company early in the year to withdraw from automobile and casualty insurance underwriting in Canada. Poor experiences with these types of business during the past few years was the reason for this decision.

Prior to 1930, when the company obtained a Dominion license, the Portage Mutual concentrated on fire insurance. The company is again confining its efforts to this field, and results during the current year have been satisfactory, The Financial Post is informed.

Alberta Names Trio To Insurance Body

Appointment of the health insurance commission for Alberta as provided for by the Alberta Health Insurance Act is announced in the current issue of the Alberta Gazette.

The members are Hon. George Hoadley, minister of health, who is to act as chairman; Dr. J. E. Archer, of Lamont, vice-chairman, and Dr. M. R. Bow, deputy minister of health. They are to serve without remuneration. Appointments are effective from July 24.

Insurance Inklings

Empire Life Insurance Co. have ceased to operate in British Columbia.

• • •

A. GEORGE BREWER has been appointed manager of the life, accident and group departments of the Travelers Insurance Co. at Ottawa. He replaces J. F. C. Maunder, who has been transferred to Toronto.

• • •

J. S. MARSHALL of the Union Insurance Society of Canton has been elected president of the Association of the Marine Underwriters of British Columbia.

• • •

WALTER J. MORRIS, Toronto branch manager of the London and Scottish Assurance Corp., is retiring. In 1912 Mr. Morris became branch manager of the London and Lancashire life department. Later he became branch manager at Toronto for the fire, casualty and marine departments of the London and Scottish.

Camden Fire Authorized To Write Riot Insurance

A certificate of registry has been issued by the Federal Department of Insurance to The Camden Fire Insurance Association for riot and civil commotion insurance, according to an announcement by G. D. Finlayson, superintendent of insurance.

The Camden Fire Insurance Association was previously licensed to write fire and automobile insurance, also limited explosion, sprinkler and tornado coverage. In writing riot and civil commotion insurance the association is limited to insurance of the same property as is insured under a policy of fire insurance of the association, in addition to the classes for which it is already registered.

Dominion Scottish Pays 25c a Share for Quarter

A dividend of 25 cents a share has been declared on the $50 preferred shares of Dominion Scottish Investments, payable Sept. 1 to holders of record Aug. 20. The shares are entitled to a cumulative dividend of $2.50 a share annually.

Last payment was 50 cents a share on June 1. It was based on results for the whole 1934-35 fiscal year which closed last May 31. Excepting the June 1 increase, payments have been 25 cents a share quarterly for the past three years.

Gordon to Succeed As Farm Board Head

From Our Own Correspondent

OTTAWA.—While the resignation of M. A. MacPherson, administrator of the Farmers' Creditors Arrangement Act, will mean a change in personnel, there is to be no modification of the policy hitherto followed by the Government with respect to this statute.

Mr. MacPherson has retired, despite efforts of the Government to retain his services, for the reason that he has never regarded the position as other than temporary and desires to resume private law practice in Regina.

His place will be taken by H. S. Gordon, now assistant administrator. Mr. Gordon is considered one of the ablest of the junior men in the civil service. He brought to his present office a wide experience in the farm mortgage business obtained with the Soldier Settlement Board. His appointment as administrator will probably be announced within ten days.

I. C. R. Again

New Brunswick Wants Reversion to Pre-1912 Basis

From Our Own Correspondent

MONTREAL.—Reversion of managerial operations of the Intercolonial Railway as they existed prior to 1912, with control centred in Moncton, is being sought by the New Brunswick Government from the federal government.

Taking the stand that operation of this railway by the Canadian National Railway had prejudiced materially interests of the producers, importers and shippers of New Brunswick, and had affected seriously her economic and industrial development, the provincial authorities sent the following statement to the federal government:

"The government has been giving its attention to the transportation problems confronting the people of New Brunswick, which have been weighing heavily upon the economic life of the province.

"Under the abnormal conditions that existed during the war period, a change was made in the operation of the Intercolonial Railway, by which, eventually, its management passed into the hands of the Canadian National Railways Co.

Refer to Confederation

"The operation of this railway by an incorporated company is a violation of the Confederation arrangement, under which it was intended the line should be operated by the federal government, essentially as a service institution.

"The operation of the railway by the Canadian National Railway Co. has prejudiced materially the interests of the producers, importers and shippers of New Brunswick, and has seriously affected her economic and industrial development.

"The government have decided that it is essential to have this railway restored to its constitutional status; and to this end a demand is now being presented to the government at Ottawa that steps be immediately taken to have the Intercolonial operated as it was prior to 1912, with its management at Moncton."

Gold Medal Awarded to Major L. L. Anthes

L. L. Anthes, managing director of the Anthes Foundry Ltd. and former president of the Canadian Manufacturers' Association, is being honored with the John A. Penton gold medal for distinguished service to the foundry industry of America at the annual meeting of the American Foundrymen's Association.

The meeting is being held at Toronto, August 20-23.

Fanny Farmer Sales Higher Net May Pass $1.25 a Share

Sales of Fanny Farmer Candy Shops Inc. were $2,432,847 in the seven months ended July 31. This compares with $2,097,185 in the same 1934 period. The increase is $335,662, or about 16 per cent.

July sales were $242,264, compared with $217,931 in the 1934 month. Profits as well as sales have gained substantially for the first seven months of this year compared with the 1934 period. Since earnings per share on the present stock amounted to $1.06 in 1934, it is apparent that the present 50-cent annual dividend is being well covered. Profits for 1935 now appear likely to exceed $1.25 a share.

Regent Knitting Stock Traded on Montreal Board

From Our Own Correspondent

MONTREAL. — Montreal Stock Exchange announces the listing of Regent Knitting Mills common stock. The preferred shares also have been approved, but will await the company's request for trading.

There are outstanding 65,009 common shares of no par value of an authorized issue of 100,000 shares, while there are 16,000 preferred shares, non-cumulative and redeemable.

Obituary

Joseph E. Phaneuf, M.L.A. for Bagot, died in his seventy-third year at St. Hughes, Que., on August 9. He was a director of the Assurance Mutuelle of St. Hyacinthe; of the Mercantile Fire Ins. Co. and of the Compagnie Mutuelle de Commerce.

George K. Martin died in Toronto on August 9, aged seventy-four. He came to Canada from England in 1892 entering the insurance business in Montreal.

R. G. Skelton, aged seventy-two, senior member of the firm of R. G. Skelton & Son, Chilliwack, B.C., died in Vancouver General Hospital on August 13.

LIFE ASSURANCE is the best investment

A man can create an estate for himself of $1,000, $2,500, $5,000, $10,000, or more — all dependent upon his position, income and prospects.

Through SUN LIFE assurance he can be sure of reaching his objective within a specified time, with safety and without loss or impairment of principal.

If death should intervene, life assurance will do what no other investment can guarantee. It will make the full intended principal available at once for his family and will carry through the programme that he planned for them.

There's a SUN LIFE policy for every need and expert advice is available on request.

SUN LIFE ASSURANCE COMPANY OF CANADA

HEAD OFFICE MONTREAL

Jap-Canada Trade War Benefits U. S. Sawmills

Orders Switched Across Border Following Embargo—Japanese Market Represents 10 Per Cent of Pacific Coast Sales

From Our Own Correspondent

VANCOUVER.—Orders for 7,000,000 feet of lumber a month, which used to be placed by Japan with British Columbia sawmills, have been entirely diverted to the states of Washington and Oregon. This fact emerges as one significant indication of the way the 50 per cent Japanese surtax has affected one Canadian industry within one month of the tax's imposition.

Every shipment of lumber from the United States must carry with it a certificate showing that it did not originate in Canada. Under normal conditions the practice among west coast lumber associations has been to "farm out" orders in excess of the immediate capacity of mills in a given territory, resulting in some American orders being handled by Canadian mills and vice versa. Under the new Japanese regulations, however, this has been prohibited. Strictest precautions have been taken to see that no Canadian lumber enters Japan.

Affects Inventories

The embargo has been a severe blow to mills that were caught with large quantities of Japanese squares on hand, awaiting shipment to the Orient. This is timber specified in Japanese orders for years and is not readily marketable elsewhere. The squares will have to be sawn down to different lengths before they can be disposed of.

Importance of the Japanese business to British Columbia's timber industry is being recognized more than ever, now that it has vanished. It is estimated that Japan absorbed nearly 180,000,000 feet of logs in various forms of manufacture last year out of a total log production on the coast of 1,762,000,000 or about ten per cent of the entire forest output. In past discussions of Japan's purchases the lumber estimate has been usually about 70,000,000 feet, disregarding logs.

Pulp Mills Affected

Pulp mills have been similarly affected by the embargo in Japan, and one result of this is that some of the mills are preparing to turn their attention to products other than those saleable in Japan. One mill which has been catering strongly to the Japanese market is reported to be entering rayon production.

The Japanese situation has not had the expected effect on new pulp mill projects. Several new enterprises are reported. In addition to the Prince Rupert project of F. L. Buckley, the Squamish scheme sponsored by J. P. Meehan & Company and the contemplated renovation of Vancouver Kraft Mills at Port Mellon, George Whalen, formerly one of the chief figures in Whalen Pulp & Paper Mills, which later became B.C. Pulp & Paper Company, is said to be negotiating for establishment of a mill near New Westminster.

U. S. ADVERTISING LINAGE UP IN JULY

Practically All Major Divisions Report Gains Over Last Year

From Our Own Correspondent

MONTREAL.—Newspaper advertising linage in 52 American cities during July registered a sharp recovery from the decline noted in June, according to returns compiled by Media Records Inc., and published by Editor and Publisher.

The upward movement was led by general, financial and classified advertising, all of which were well above previous levels for the month. Retail, department store and total display made smaller gains, both over last year, but reversed their downward trend of the previous month. Automotive made a larger gain in July than in June but was behind last year's figures.

Above Last Year

Total advertising linage in July was 87.3 million, as against 83.1 million lines a year ago. Display advertising accounted for 69 million lines, as against 66.7 million lines a year ago, while classified linage at 18.3 millions compared with 16.4 millions in July, 1934.

Following are the linages recorded by the major divisions last July, together with comparative figures for the same month a year ago: Retail, 43.8 millions (42.6 millions); department store, 14.7 millions (17.3 millions); general, 16.8 millions (15.2 millions); automotive, 6.4 millions (7 millions); and financial, 1.9 millions (1.7 millions).

Salt Production

Canadian production of commercial salt amounted to 22,748 tons in May, compared with 21,407 tons in April and 20,082 tons in May, 1934.

United States Fidelity & Guaranty Company TORONTO

INSURED AGAINST ACCIDENT— but HOW ABOUT YOU?

THE COMMERCIAL TRAVELERS MUTUAL ACCIDENT ASSOCIATION of AMERICA

H. E. TREVVETT, Secretary

140 Wellington Street, OTTAWA, ONTARIO

PROTECTION

The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost. This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.

Total Benefits paid $125,000,000

Independent Order of Foresters

FRANK E. HAND, Supreme Chief Ranger — HEAD OFFICE: TORONTO, CAN.

"Canada's Largest Fire Mutual"

The WAWANESA MUTUAL INSURANCE CO.

Ranks 3rd against all companies on total volume of fire business written in Canada

FIRE, LIABILITY, WINDSTORM, DOCTORS' AND DENTISTS' LIABILITY, SPRINKLER LEAKAGE, AUTOMOBILE, PLATE GLASS

Head Office—WAWANESA, Man.

Eastern Office—341 CHURCH ST., TORONTO, Ont.

Branches also at Vancouver, B.C.; Edmonton, Alta.; Regina, Sask.; Winnipeg, Man.; Montreal, P.Q., and Saint John, N.B.

NORTHWESTERN MUTUAL FIRE ASSOCIATION

SEATTLE WASHINGTON

HEAD OFFICE FOR CANADA HAMILTON ONTARIO

BRANCH OFFICES: Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, St. John, Halifax

WRITING FIRE AND AUTOMOBILE INSURANCE AT COST. ASSETS $5,183,603.19

ALL POLICIES NON-ASSESSABLE PAYING DIVIDENDS RANGING FROM 20% TO 30% ON RENEWALS

Your Investments

What We Do:

1. Give information on Canadian securities to enquiring subscribers by early mail.
2. Publish anonymously on this page letters of general interest.
3. Supply an enquiry service of fact rather than of opinion.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on United States or foreign securities.
3. Reply by telephone or telegraph to enquiries.
4. Select lists of securities; express opinions; forecast the future.

Three-cent stamp must be enclosed. Write mining and insurance enquiries on separate sheets. Address the editor, The Financial Post, 481 University Ave., Toronto.

Bank of Canada

I hold a few Bank of Canada shares and realize that they may be affected if a Liberal government is elected for the Dominion. Can you tell me how this would affect the value of my holdings?

As you have probably noted from discussions in The Financial Post, if the present government is defeated in the forthcoming federal election, it appears highly probable that the Bank of Canada will become a government-owned institution.

It is possible that a price of only $50 a share might be paid for Bank of Canada stock if the government were to buy it from present holders. This, of course, would cause dissatisfaction among investors. As far as the bank's shareholders are concerned, there would be only a few fully satisfactory ways of nationalizing the bank. First, the government could buy out stockholders at the prices they actually paid for their shares. This would not entail a loss to shareholders. Second, the government could issue sufficient additional stock to itself to give it control of the bank. Then, present shareholders could keep their stock. Third, an arbitrary premium could be paid to all shareholders for their stock, say $5 a share.

None of these schemes would be entirely satisfactory to everyone. The first plan would mean payment of premiums to shareholders who bought on the open market, and might cause criticism of the government. The second involves an unnecessary expansion of the bank's capital. The third plan would not satisfy those who paid $60 a share and would perhaps draw public criticism too. Many investors paid more than $55 each for their shares and would be disgruntled if purchases by the government at $50 or $55 a share were to force them to lose money.

It must be remembered that other parties than the Liberal are in favor of nationalization of the bank. The C.C.F. group and the Stevens party would probably support nationalization, and the same policy is definitely part of the Liberal platform. Thus, if the present government is defeated, it matters little by whom, nationalization of the bank is in prospect. The precise manner in which this would be effected is doubtful. Recent information is that the Liberals would propose redemption at $50 a share. This would depreciate the value of your shares.

Shawinigan

For the benefit of a client, would you please let us have an expression of opinion on the Shawinigan Water and Power Co.?

We do not opinionate on share prices. Shawinigan Water and Power Co. has been progressing steadily and expectations are that the financial statement for 1935 will show earnings on the common stock of around $1.25 a share or better. This is in contrast to $1.09 a share earned in 1934 and dividend requirements of 50 cents a share.

In 1932 Shawinigan's earning power was affected by the restricted operations in the newsprint field, while net income available on the common stock was reduced by heavy premium payments on U.S. exchange required for the payment of bond interest. Since that time conditions have undergone a marked improvement. The premiums on the U.S. exchange have been practically eliminated, resulting in a very substantial saving to the company. The newsprint industry has increased its demands for power and last year Shawinigan reported a record power output. For the first half of 1935 power production and sales aggregated 2,617 million kw.h., as against the previous record of 2,214 million kw.h. made in the same period of 1934.

For the first half of 1935 gross income at nearly $6.3 millions compared with $5.9 millions in the corresponding period of 1934. Net income, before depreciation and income tax, totalled $1,558,459, as against $1,422,614 in the previous year.

Canadian Motor Lamp

Is there any market or market value for shares of Canadian Motor Lamp Co.? What is the company's position?

We know of no market for shares of Canadian Motor Lamp Co. There is no market value and we know of no over-the-counter value for the shares.

The company does not issue a public financial statement, but if you hold shares, it would furnish you with one. We understand that the company's financial position was improved slightly in 1934, but that no profits were made in that year.

C.P.R. Preferred

As a subscriber to your paper I am taking the liberty of requesting some information in connection with the preferred stock of Canadian Pacific Railway. With the better grain crop in prospect in Western Canada do you think there is any possibility of the company resuming dividends on the preferred stock this year? As you know, the C.P.R. in good years makes a large part of their earnings in the last months of the year, and I was wondering if the earnings might not improve in the last half of this year, with a fair grain crop in prospect, sufficiently to warrant payment of dividends on the preferred stock?

Preferred stock of Canadian Pacific Railway is not listed on any Canadian or American stock exchange. It is, however, listed on the London Stock Exchange. We do not know of any agency in Canada that regularly carries quotations on this stock, but if you are in touch with a broker who receives the price list published by the London Stock Exchange he will be able to keep you informed as to fluctuations.

While the new crop movement will make a marked difference in earnings of the Canadian Pacific Railway, it is not anticipated that action will be taken by the directors to place the preferred stock on a paying basis. Last year, it will be recalled, the company showed sufficient income to cover fixed charges and the dividends on the preferred stock. During the past spring, the president stated that in view of the necessity of conserving the company's liquid resources, no action would be taken in making a payment on the preferred stock. For the first half of this year, railway operating income of the company was about $2 millions less than in 1934. Consequently it is not anticipated that net income will be any greater this year. That being the case, it is hardly likely that the management will do anything in the way of putting the preferred stock back on a dividend paying basis in the near future.

Expects Repudiation

Having about $3,000 to invest for a local trust fund and being inclined to think that, sooner or later, government and municipal bonds will be repudiated, while public utilities seem to be slated for public ownership, I should be much obliged if you would be kind enough to give me some idea where to place this money.

We cannot see so far into the future as to say that sooner or later all government and municipal bonds will be repudiated. We would hardly expect that unless a cataclysm intervenes. Well managed governments and municipalities should continue to pay the interest on their bonds and this also is true of public utility companies with an excellent earnings record as well.

You seem to expect utility companies generally to pass under government or municipal ownership.

While the tendency for governments to purchase, or to regulate, utilities is still strong, there are some signs that the wisdom of government ownership is being called into question. Regulation is here to stay, but has been a factor in utility operations for many years. It has not prevented progress, although it may, at times, have impeded it.

Canadian Oil

What is the situation of Canadian Oil Companies' 8 per cent preferred stock?

Dividends on $2 millions of 8 per cent cumulative preferred stock of Canadian Oil Companies have been paid regularly since 1918 and earned nearly every year. Dividends have been paid on common stock as well but in 1933 were reduced from $1 to 50 cents a share basis. Even at that reduction, net profits were in 1934 $26,685 too low to buy the full common dividend. There was a margin of about $45,000 in protection of preferred dividends after depreciation.

The company has completed a new $500,000 cracking plant for refining crude petroleum at Petrolia.

The position of preferred is well established but prospects will look better when the company once again shows an upward trend in earnings.

Acme Glove

Is Acme Glove in good financial condition and would you consider the common stock a safe investment?

Acme Glove Works of Montreal failed in 1930, 1931 and 1932 to earn dividends on $448,300 6½ per cent first preference cumulative, convertible stock, on $300,000 6 per cent second non-cumulative preference stock of $50 par value and on 17,000 no par value common Class B shares.

In 1933, first and second preference dividends were earned and in 1934 both were earned several times over, leaving $3.24 a share available for common stock before taking arrears into consideration. Arrears at the end of 1934 amounted to $10.57 a share on the first preference.

The company has a very strong working capital position. If 1934 earnings could be kept up, it would soon be in a position to pay off all arrears, then to begin common dividends. At the annual meeting on February 16, J. D. Ouellette said that payment of arrears would depend upon business conditions, the cash position of the company and such restrictions as may result from the new Companies' Act. So far this year dividend on 1st. preferred is being paid at the rate of $3.25 a share. This is encouraging but it permits further arrears to accumulate and these must be paid off before common participates.

Brewing Corp.

Should I continue to hold Brewing Corp. preferred stock? Is there reasonable chance of improvement of earnings?

Brewing Corp. of Canada earnings this year have been better than for the same period of last year but have not been up to expectations on account of the late spring and the wet weather of the early summer. July, however, has given a good account of itself. The company, therefore, is not likely to be in a position to pay its full preferred dividend as yet. Its year ends on October 31 and it will need the full period to demonstrate earning powers. To assess prospects of growth would need another summer.

War and Securities

War is expected between Italy and Ethiopia—According to some newspapers the price of copper will rise on account of a war—This declaration brings me to ask you:

1. What happens on the stock markets when war is declared? Is there a drop at the beginning?
2. What are the stocks to benefit from a war?

It will need more than a restricted war between Italy and Ethiopia to affect greatly the price of copper because there is now so much more copper available than the world is using currently. It is probable that Italy has already made large purchases for its intended venture in Ethiopia and it will purchase much more if needed. As far as Ethiopia is concerned it is doubtful if its purchasing power is very large, not large enough to affect the price of copper to any great degree. In anticipation of this war, Italy's purchases, added to the purchases of Japan and the purchases of other countries have probably been about as large as can be expected. It is the possibility of a war between these two countries widening to include others which is most vital to the holders of securities in copper companies.

You ask what happens on the stock market when war is declared. When the Great War was declared the New York Stock Market was closed for a while. No one was quite sure what would happen. Fear as to the effect on securities was the main motivating factor at the beginning. Later, when it became evident that munitions would be a profitable enterprise, the stock markets began to hum again.

The stocks that benefitted from that war were the stocks of steel companies which could be turned over into munition enterprises, the stocks of packing companies which could be expected to supply large stores of provisions and the stocks of elevator companies and grain companies holding grain in countires easily available to the scene of the conflict. It was not so good for construction companies and for financial companies.

There is a great difference in backgrounds of a war started now as compared with that in 1914. The various great countries were then able to borrow money in huge amounts because of their high credit standing built up in years of peace. Financiers, governments and their own peoples fell over themselves in their eagerness to finance every demand.

The intervening period has provided material for sobering reflections. Only France and the United States, with their huge stores of gold, could undertake a war and be able to finance operation with the greatest of ease. With that gold they could buy anything at any place in the world. Even Great Britain would have to do very astute financing though its problems would be lightened by having almost every known resource required for war available at some point in the British Empire.

Most countries could not sell their bonds to anything like the extent they did in the Great War. People have had too many object lessons since 1914 of how government bonds, formerly thought to be of highest safety, can drop away to a fraction of their former value. With their very great loads of debt most countries could borrow very little even from their own people and for a conflict that would turn out to be protracted, the lid might fly off the pot in which civilization has been brewed. Unable to borrow, governments would resort to wholesale expropriation of industries and materials essential to war. They would try to finance by means of unrestricted inflation. War profits might very well prove to be ephemeral and very fleeting paper profits in such a case.

Montreal Power

I have over 100 shares of Montreal Light, Heat and Power. Would like your advice as to whether to hold or sell it.

Montreal Light, Heat and Power Co. has a very strong working capital position. Dividends have been paid in every year since the company was incorporated in 1916 and have been paid at the rate of $1.50 per annum since this rate was first paid on July 31, 1930. The dividend has been earned with a good margin in 1932, 1933 and 1934 although there was a slight decrease in the last year. Earnings are regarded as stable.

British Mortgage

What rate is British Mortgage and Trust Co. paying on investment receipts? What is the security for these certificates?

British Mortgage & Trust Co., Stratford, is paying 4 per cent on its guaranteed investment receipts. These are time deposits as contrasted with ordinary savings deposits. At the end of 1934, deposits and investment receipts outstanding amounted to $5,140,000. These were secured by liquid assets of $651,000 mortgages of $4,489,000 and net capital assets of $1,727,000, a total of $6,867,000. The book value of assets protecting depositors, therefore, amounted to about 135 per cent of total deposit liabilities.

Seiberling Preferred

Would you kindly let me have your opinion of the Seiberling Rubber Co. of Canada with special reference to the preferred stock?

Seiberling Rubber Co. of Canada 7 per cent preference stock to the extent of $376,300 was first issued to the old bondholders of K. & S. Tire & Rubber Goods as a final measure of completing the transfer of the latter company's property.

Dividends at the rate of $7 per annum are cumulative for April 1, 1935, but the Seiberling Rubber Co. of Canada has not yet paid a dividend. An officer of the company states that the dividend is not at present being earned. In 1934 the company had the best year since it first started in Canada but the price situation has become demoralized to a considerable extent in 1935 and it is the policy to conserve funds. It is scarcely likely that a dividend will be declared for some time. Two conditions must be present to permit dividends: 1st, sufficient earnings by the company; and 2nd, more stable price conditions in the industry as a whole. The company has a fair working capital position, it is understood, though it must give first place in its financing plans to maintaining a good position with reference to its bank loans.

Canada Steamship

Would you please oblige me with information as to general business conditions and the financial standing of Canada Steamships and the likelihood of a resumption of interest payments on the 6 per cent bonds and paying back interest?

Canada Steamship Lines' grain traffic has been distinctly disappointing to date. However the hope is held out that the policies of the new Dominion Grain Board will result in a more substantial export movement, which in turn would have a favorable effect upon the company's earnings. The other divisions of the company, namely, passenger, packet freight, coal, etc., are doing about as well as last year.

Bank loans have been reduced from approximately $1.25 millions to a point where they now do not constitute a major liability of the company; in fact, cash on hand is sufficient to wipe out the bank loans at any time.

There is no immediate prospect of the company resuming interest payments on its 6 per cent general mortgage bonds. It would appear to be part of the policy of the bondholders' protective committee and the management to continue the plan of eliminating the bank loan and improving the working capital position. No financial reorganization is anticipated until such time as the committee can determine the normal earning power of the company. It does not appear that such an opportunity will present itself this year, so that no change is expected to take place in the company's financial position in the near future.

Rackets

Lottery Tickets

BUSINESS men in many small cities and towns throughout Canada report being flooded with lottery tickets which they are asked to sell. Many of these are being distributed by service organizations and the prize offered is a new car. The strict laws against lottery are avoided by a clause which makes the lucky winner go through a form of purchase for the automobile by paying the nominal sum of $1.

These lottery booklets are made up in sixteen tickets which are supposed to be sold at 25 cents apiece. As remuneration for his services, the salesman is allowed four tickets.

The booklets are not sent out by registered mail and the receiver is asked to turn them over to some friend to sell if he does not desire to handle the business himself. There is nothing to prevent the booklet falling into the hands of racketeers.

Undoubtedly in many cases booklets do fall into hands of unscrupulous people who can, if they so desire, retail the whole sixteen tickets at any price they choose and pocket the total receipts. There appears to be no way by which the organization putting on the lottery can trace the receipt of the booklet and check up on the receipt. This practice is not only a nuisance in itself to people who have no desire to sell the tickets, but it also provides a fair field for the unscrupulous racketeer who can, if caught, lay all the blame on the organization putting on the campaign.

McColl-Frontenac

Is there any likelihood of the McColl-Frontenac preferred being called?

We have no information officially or otherwise of the likelihood of McColl-Frontenac Oil Co. redeeming its preferred stock. Under by-laws of the company, this stock can be redeemed as a whole or in part after January 1, 1930, on any dividend date at 105 and dividends on thirty days notice.

The company is not in a financial position to redeem its preferred stock out of its own resources, and it is doubtful if the market is in shape to absorb a refunding issue of such a large size. It is more likely that the company would take steps to refinance its funded debt on a lower interest basis. There are rumors to this effect, but to date no official action has been taken.

Mining Enquiries

United Gold Equities

I hold 200 standard shares of United Gold Equities. Could you give me a report on this company and its position as to dividends?

United Gold Equities is a management type of investment trust which was formed in 1933 to invest in shares of established mining companies, prospecting companies, and companies connected with the mining industry. Definite restrictions are laid down in the charter as to the amount of the company's capital that may be invested in any one issue or type of issue. Provision is made that not less than 50 per cent of the funds of the company shall be invested in the dividend and interest paying securities of well managed mining companies of proved resources and earning power. In addition, the company is permitted to seek the larger profits to be obtained from fortunate investments in the shares of mining companies that are in the intermediate stages of production and development. However, not more than 50 per cent of the company's capital and surplus can be invested in this type of securities. It is also provided that the company cannot invest more than 15 per cent of its funds in the securities of any one issue, other than government obligations.

During its brief history of two years, United Gold Equities has reported good results. In 1934, the company paid dividends totalling 15 cents per share on its standard shares. At the present time the company is paying regular quarterly dividends at the rate of 10 per cent per annum. You should note that profits on sale of investments have been included in income. This is not in accord with the most conservative policies of investment accounting.

The trust seems well managed and had the good fortune to be formed when mining stock prices were at a much lower level than at present. Largely as a result of the increase in the price of gold, the company's holdings have shown considerable appreciation.

Cripple Creek Mining Co.

I would be interested in obtaining your opinion of The Cripple Creek Mining and Milling Co. Ltd. Any information regarding its possibilities would be much appreciated.

Cripple Creek Mining and Milling Co. Ltd. was organized in August last year to operate two properties. one on Cripple Creek in the state of Colorado, U.S. and the other in Guibord Township, Ontario. Of these two properties, the Colorado is the more advanced of the two and company officials state that sufficient ore is already indicated to warrant mill construction. There is no immediate intention of building such a mill on the property, however, the reason being, we understand, that the company is not too well supplied with funds. There is, however, a customs mill being erected about 15 miles from this property and it is the company's intention to ship their ore to the customs mill as soon as it is ready. You will readily understand that it is difficult to give a conclusive analysis on the property inasmuch as it is a long way from home, and one has to rely largely on information supplied by the company. We know of no reason, however, to doubt the integrity of the men behind this concern.

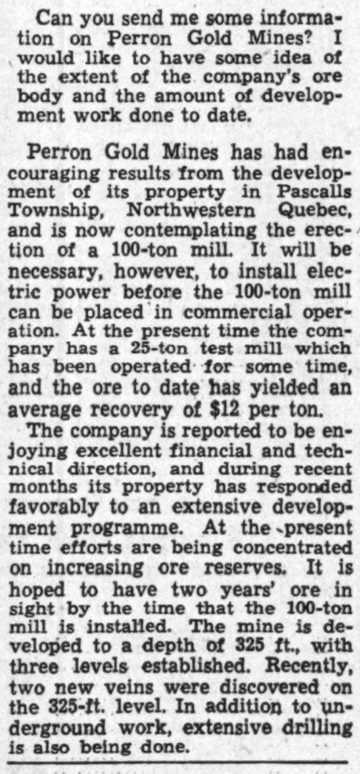
As for the Ontario property, it remains an undeveloped prospect, although some work is being done on the surface at the present time. As you know, there is a considerable amount of activity in this township and in the nearby township of Hislop. Some encouraging surface showings have been found on Cripple Creek's property but further work of an underground nature will be necessary before it is known how extensive the showings on surface are.

Perron Gold Mines

Can you send me some information on Perron Gold Mines? I would like to have some idea of the extent of the company's ore body and the amount of development work done to date.

Perron Gold Mines has had encouraging results from the development of its property in Pascalls Township, Northwestern Quebec, and is now contemplating the erection of a 100-ton mill. It will be necessary, however, to install electric power before the 100-ton mill can be placed in commercial operation. At the present time the company has a 25-ton test mill which has been operated for some time, and the ore to date has yielded an average recovery of $12 per ton.

The company is reported to be enjoying excellent financial and technical direction, and during recent months its property has responded favorably to an extensive development programme. At the present time efforts are being concentrated on increasing ore reserves. It is hoped to have two years' ore in sight by the time that the 100-ton mill is installed. The mine is developed to a depth of 325 ft., with three levels established. Recently, two new veins were discovered on the 325-ft. level. In addition to underground work, extensive drilling is also being done.



FOR 80 YEARS
"CANADA PERMANENT" has had and fully merited the confidence of many thousands of investors, no one of whom has at any time in that long period experienced the slightest delay in the receipt of funds to which he was entitled.

FOR 80 YEARS
"CANADA PERMANENT" has not only effectually safeguarded but has been of material assistance in increasing the savings of prudent and thrifty citizens.

FOR 80 YEARS
"CANADA PERMANENT" has been a growing asset to Canada; and the

SAFE DEPOSITORY FOR SAVINGS

CANADA PERMANENT MORTGAGE CORPORATION
Head Office: 320 Bay St., Toronto
Combined Assets Exceed $100,000,000

A LEGAL INVESTMENT FOR INSURANCE COMPANIES IN CANADA.

BONDS fully subsidized and payable by the Government of the Province of Quebec

Out of the Public Charities Funds:

Hôpital Laval (Quebec)
3½% August 1941-55
Price: maturities 1941-5 at 100 and interest; maturities 1946-55 at 99 and interest

Hôpital St-Luc (Montreal)
4% August 1941-50
Prices to yield: 3.65% for 1941-5 maturities; 3.85% for 1946-50 maturities

Hospice St-Henri (Montreal)
4% November 1941-3
Prices to yield 3.85%

Out of the Insane Asylums Funds:

Sisters of Charity (Quebec)
4% February 1941-55
Prices to yield: 3.65% for 1941-5 maturities; 3.85% for 1946-55 maturities

Detailed information and circulars on request.

ERNEST SAVARD LIMITÉE
276 St. James Street, MONTREAL — 105 Mountain Hill, QUEBEC

CANADIAN SECURITIES

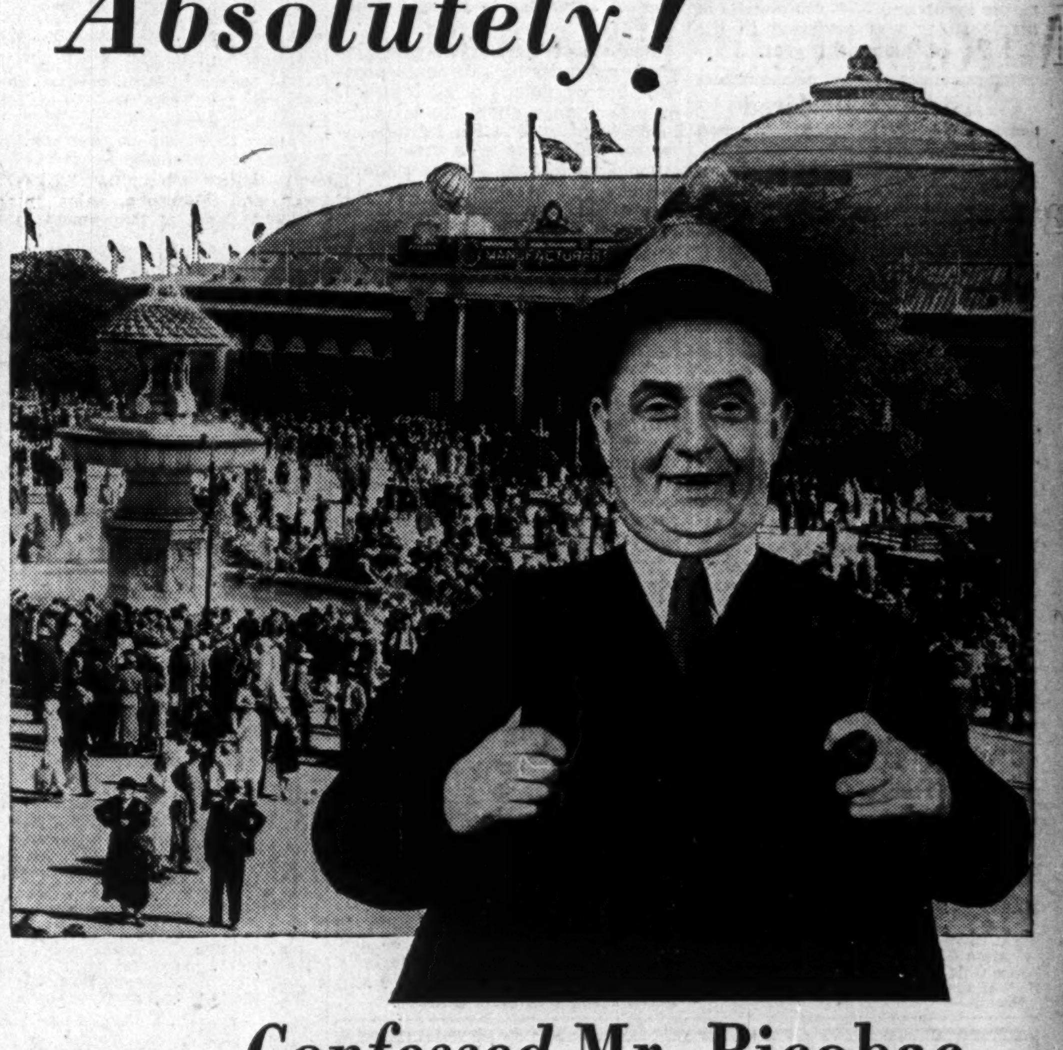
Dominion and Provincial Government Bonds
Municipal Bonds
Public Utility and Industrial Financing

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
Assets over $14,000,000
3% PAID ON DEPOSITS — 3½% ON DEBENTURES
Archibald McPherson, *President.* — T. H. Main, *Manager.*

J. P. LANGLEY & CO.
C. P. ROBERTS, F.C.A.
Chartered Accountants
TORONTO - KIRKLAND LAKE

"I'm Astounded — Absolutely!"



Confessed Mr. Picobac

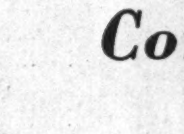
Dressed in his Sunday best, Mr. Picobac was paying his first visit to the Canadian National Exhibition.

Halting for a moment to chat with a salesman in a tobacco and cigarette booth with whom he had formed a passing acquaintance, Mr. Picobac surveyed the passing throng.

"I've been to fall fairs before now", said he, "—plenty of them. Down in Essex Centre we have a fall fair every year—but nothing like this. I'm astounded—absolutely astounded."

Mr. Picobac had just finished a pipe and was now contemplating another.

"I must say I congratulate you folks up here in Toronto for the way you take to Picobac tobacco. Never in my life have I seen so many nice looking stands where you could buy Picobac. If there's any place where a man enjoys a mild . . . cool . . . sweet smoke every little once in a while, it's at the Canadian National Exhibition."



NEW SEAL TIGHT POUCH 15c.
½-LB. "LOK-TOP" TIN 60c.
ALSO PACKED IN HANDY POCKET TINS

"IT *DOES* TASTE GOOD IN A PIPE!"
Picobac
Imperial Tobacco Company of Canada, Limited
GROWN IN SUNNY, SOUTHERN ONTARIO

SAL HEPATICA

In 1887 Bristol Myers Company was established on a modest scale to manufacture pharmaceutical products. In 1895 Sal Hepatica, an effervescent saline mixture was introduced, and over a period of years won the endorsement of the medical profession.

In 1926 Sal Hepatica became an advertised product and new sales peaks have been reached each year.

Advertising of this product appears in—

Maclean's
Canada's National Magazine

Ottawa Hears U. S. Proposal On Paper Quota

From Our Own Correspondent

OTTAWA.—Efforts on the part of United States' publishers to persuade the Canadian newsprint industry to submit either to a voluntary or a state imposed quota system, have reached the Capital.

Frank Murphy, of the Minneapolis Tribune, spent several days at Ottawa this week interviewing leading public men and government officials and seeking to convince them that along this line a solution to the newsprint problem could be found. It is learned definitely that while Mr. Murphy received an attentive hearing, he left the Capital without having obtained anything in the way of a commitment.

Significance attaches to his visit, in the view of officials here, by reason of his close connection with the Roosevelt administration. It is recalled that he was chosen by President Roosevelt to be one of the U. S. representatives on the world wheat committee and as such signed the wheat agreement.

Maple Syrup

A total of 1,581,600 gallons of maple syrup and 5,747,900 pounds of maple sugar was produced in the Province of Quebec this year.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass, c.	20c	Sept. 2	Aug. 15
Do., bonus	20c	Sept. 2	Aug. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Anglo Can. Tel. c. A	12½c	Sept. 3	Aug. 15
Do., com. B	10c	Sept. 4	Aug. 15
Bk. of N. Scotia	$3	Oct. 1	Sept. 16
Borden, c.	40c.	Sept. 3	Aug. 15
Bruck Silk	30c	Oct. 15	Sept. 14
Bk. of Montreal	$2	Sept. 3	July 31
Bk. Can. Nat.	$2	Sept. 1	Aug. 15
Beld. Cort. pfd	$1.75	Sept. 14	Aug. 31
Bank of Toronto	$2.50	Sept. 3	Aug. 15
Bird-Archer	$2	Sept. 1	Aug. 8
Do. pref.	$4	Sept. 1	Aug. 8
Can. Bk. of Com.	$2	Sept. 1	July 31
Can. Indust. A & B	$1	Oct. 31	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Corrugated Pap. pf.	$1.75	Sept. 1	Aug. 16
Can. Hy.-El., 1st pf.	$1.50	Sep. 2	Aug. 1
Can. Vinegars	40c	Sept. 3	Aug. 15
Dominion Bank	$2.50	Oct. 1	Sept. 20
Dom. Scott Inv., pf.	25c	Sept. 1	Aug. 20
Hollinger Gold	5c	Sept. 9	Aug. 23
Inter. Mining	15c	Sept. 20	Aug. 31
Hudson Bay Mine	†50c	Aug. 31	Aug. 9
Int. Nickel, c.	20c	Sept. 30	Aug. 31
Loblaw A & B	25c	Sept. 3	Aug. 14
Laura Secord	75c	Aug. 31	Aug. 15
Lake Shore M.	50c	Sept. 16	Sept. 2
Do., extra	50c	Sept. 16	Sept. 2
Monarch Knit, pf.	$1.75	Oct. 1	Sept. 14
Montreal Loan	62½c	Sept. 16	Aug. 31
McColl-Fron., c.	20c	Sept. 14	Aug. 15
McIntyre Porc.	50c	Sept. 2	Aug. 1
McLennan, McFeeley & Prior, A	10c	Sept. 30	Sept. 23
Do., B	10c	Sept. 30	Sept. 23
Nat. Biscuit pf.	$1.75	Aug. 31	Aug. 15
Nat. Biscuit, c.	40c	Oct. 15	Sept. 13
Nova S. L. & P., pf.	$1.50	Sept. 3	Aug. 15
Ogilvie, pref.	$1.75	Sept. 3	Aug. 20
Photo Eng.	50c	Sept. 3	Aug. 15
Pressed Metals	12½c	Oct. 1	Sept. 16
Pioneer Gold	20c	Oct. 1	Sept. 3
Riverside Silk, A	25c	Oct. 1	Sept. 15
Do., on arrears	25c	Oct. 1	Sept. 15
Reliance Grain, p.	$1.62½	Sept. 14	Aug. 31
Reno Gold	3c	Oct. 1	Aug. 31
Rolland Paper, p.	$1.50	Sept. 2	Aug. 15
Royal Bank	$2	Sept. 3	July 31
Sylvanite G.	5c	Sept. 30	Aug. 24
Siscoe Gold	5c	Sept. 16	Aug. 31
H. Walker-G., pf.	25c	Sept. 14	Aug. 23

†Initial.

GREAT L. PAPER BIDS TO BE SENT TO BONDHOLDERS

Precise Details of Offers Won't Be Known Until Sept. 20

Meeting of holders of six per cent first mortgage bonds of Great Lakes Paper Co. is to be held at Toronto on Sept. 20 to consider offers to purchase properties of the company, which is now in receivership for the benefit of bondholders.

It is anticipated that the bondholders' protective committee may notify bondholders, prior to their meeting, of any bids which have been received up to Sept. 10. While this has been set as the closing date for bids, terms of the order authorizing the judicial sale of the assets were so arranged that bids may be altered after that date. Thus, any list which may be sent to bondholders will not necessarily be final.

Expect Several Bids

As yet, it is impossible to state exactly what bids will be received. It is expected that at least two bids, and possibly four, will be made. They are expected to propose issue of new securities to present bondholders.

Because of the flexible provision of the authority for sale of the property, precise details of all bids will only be known about the time the bondholders meet. The latitude allowing bidders to alter their offers subsequent to Sept. 10 was made in order that the best possible bids would be received. National Trust Co., Toronto, is receiver for the property, and is authorized to receive offers for the assets for submission to the bondholders.

International Petroleum Production at New Peak

Daily average production of International Petroleum Co. in July was 94,044 barrels as compared with 91,958 daily barrels in June. Only once before June did the daily average production of any month exceed 90,000 barrels. That was in January, with a daily average of 93,617 barrels.

In July, 1.3 million barrels were produced in Peru and 1.6 million barrels in Colombia. The total for the seven months was 8.5 million barrels for Peru and 10.3 million barrels for Colombia.

Riverside Silk to Pay 50c Leaving Arrears at $1.75

Dividends totalling 50 cents a share have been declared on class A stock of Riverside Silk Mills, payable Oct. 1 to shareholders on record Sept. 15, 1935. Of the total payment, 25 cents is on account of arrears and 25 cents on account of current dividend.

Class A shares are entitled to accumulative dividends of $2 per share annually. Thus, quarterly payments of 50 cents a share still leave arrears at $1.75 a share.

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning and operating mills at
Beaupré, Que. Sturgeon Falls, Ont. Espanola, Ont. Pine Falls, Man.
Sault Ste. Marie, Ont. Iroquois Falls, Ont. Smooth Rock Falls, Ont. Fort William, Ont.
Daily Capacity 2,200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

You'll Enjoy Your Stay at Detroit's Newest Downtown Hotel
THE DETROIT-LELAND
Rates from $2.50 Every Room With Bath
Beautiful lounges, large outside rooms and friendly service will make your visit a most pleasant one.
Conveniently located at Cass and Bagley Avenues close to theatres, stores and business districts.
Ample parking space — Garage in connection.
"Famous for Moderately Priced Fine Food"

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING AUGUST 19

Range 1935 High	Low	Divd. Rate in $	Y'ld in % Aug. 17		Sales	Close Aug. 12 (last)	Week Ending Aug. 19 High	Low	Close
[illegible]									

Dominion and Provincial Bonds

August 21, 1935

(Furnished by Toronto Bond Traders' Association)

Dominion of Canada Bonds

		Bid —Aug. 21—	Asked	Approx. Yield	Bid Aug. 14
Dominion .. 3½	15 Oct. 1935	100.15	100.40	.77	100.20
Dominion .. 4	15 Oct. 1935	100.25	100.50	.59	100.30
Dominion .. 2	15 Oct. 1936	100.20	100.60	1.47	100.35
Dominion .. 5	15 Nov. 1936	104.00	104.40	1.40	104.25
†‡Dominion .. 5	1 Mar. 1937	106.10	106.50	.72	106.15
‡Dominion .. 5½	1 Dec. 1937	109.25	109.65	1.19	109.60
Dominion .. 2½	15 Oct. 1939	101.15	101.65	2.08	101.35
Dominion .. 4	15 Oct. 1939	107.15	107.65	2.07	107.50
Dominion .. 4½	1 Sept. 1940	109.75	110.25	2.33	110.15
Dominion .. 5	15 Nov. 1941	111.65	112.15	2.86	112.35
Dominion .. 3	15 Oct. 1942	102.85	103.35	2.48	103.15
Dominion .. 2½	1 June 1943	99.85	100.15	2.48	100.00
Dominion .. 5	15 Oct. 1943	112.90	113.40	3.12	113.40
Dominion .. 4½	15 Oct. 1944	110.00	110.50	3.17	110.50
Dominion .. 4	15 Oct. '43-45	106.15	106.65	3.07▲	106.85
Dominion .. 4½	1 Feb. 1946	110.00	110.50	3.31	110.50
Dominion .. 3½	15 Oct. '44-49	102.35	102.85	3.14▲	103.25
Dominion .. 4	15 Oct. '47-52	106.00	106.50	3.35▲	106.75
Dominion .. 3	1 June '50-55	99.35	99.85	3.01	99.85
Dominion .. 4½	1 Nov. '46-56	108.85	109.35	3.47▲	109.50
Dominion .. 4½	1 Nov. '47-57	108.85	109.35	3.55▲	109.50
Dominion .. 4½	1 Nov. '48-58	109.25	109.75	3.57▲	110.00
Dominion .. 4½	1 Nov. '49-59	109.40	109.90	3.60▲	110.00

Dominion Guaranteed Bonds

		Bid	Asked	Yield	Bid Aug. 14
*G. T. P. Rly. 3	1 Jan. 1962	99.75	100.50	2.97	100.00
Can. N. Ry. 3	1 May 1944	100.75	101.50	2.80	101.35
Can. N. Ry. 3	15 Dec. '45-50	99.00	99.75	3.02	99.75
*Can. N. Ry. 4½	1 Sept. 1951	110.75	111.50	3.55	111.75
†Can. N. Ry. 4½	15 Sept. 1954	102.10	....	...	102.00
*Can. N. Ry. 4½	1 Feb. 1956	111.50	112.25	3.64	112.50
†Can. N. Ry. 4½	1 July 1957	110.50	111.50	3.73	111.50
*Can. N. Ry. 4¾	15 June 1955	113.75	114.50	3.71	114.75
Can. N. Ry. 5	1 Feb. 1954	113.75	114.50	3.89	114.85
*Can. N. Ry. 5	1 July 1969	113.75	114.50	3.56▲	114.75
*Can. N. Ry. 5	1 Oct. 1969	116.00	116.75	3.74▲	116.75
*M. Harb. C. 5	1 Nov. 1969	116.25	117.25	3.70▲	117.00

Provincial Government Bonds

		Bid	Asked	Yield	Bid Aug. 14
Eastern—					
†N. Bruns. .. 4½	15 Apr. 1961	108.50	109.50	3.91	108.75
†N. Bruns. .. 5	15 Jan. 1960	114.00	115.00	4.03	114.25
N. Bruns. .. 5½	15 May 1950	113.75	114.75	4.16	114.25
N. Scotia .. 4½	15 May 1943	108.00	109.00	3.18	108.00
†N. Scotia .. 4½	15 Sept. '47-52	108.50	109.50	3.52▲	108.75
N. Scotia .. 4½	15 May 1961	110.00	111.00	3.83	110.25
†N. Scotia .. 5	1 Mar. 1960	115.25	116.25	3.96	115.50
*Ontario 4	1 June 1962	104.50	105.50	3.68	105.00
*Ontario 4½	1 Sept. 1944	109.25	110.25	3.18	109.75
Ontario 4½	1 June 1950	108.50	109.50	3.67	109.25
*Ontario 4½	15 Jan. 1962	109.00	110.00	3.89	109.25
Ontario 5	15 Oct. 1948	111.25	112.25	3.81	112.50
*Ontario 5	2 Dec. 1960	115.50	116.50	3.96	116.25
Ontario 5½	1 July 1946	114.00	115.00	3.82	115.00
O. H. C. 3½-4-5	1 Oct. '33-52	100.75	101.50	1.00▲	101.00
*Ont. Hyd. C. 4	1 Aug. 1957	103.50	104.50	3.70	104.00
Ont. Hyd. C. 4¾	1 Jan. 1970	110.00	111.00	4.15	110.00
Quebec 4	15 Mar. 1952	106.75	107.75	3.39	106.75
Quebec 4¼	1 Aug. 1958	110.25	111.25	3.53	110.50
Quebec 4½	2 Jan. 1963	112.50	113.50	3.71	113.00
Western—					
†Alberta 4	1 Dec. 1957	93.50	94.50	4.39	93.50
†Alberta 4½	1 Oct. 1956	95.00	97.00	4.72	97.50
†Alberta 5	1 Jan. 1948	100.00	102.00	4.78	101.00
Alberta 5	1 Sept. 1955	99.00	101.00	4.92	100.00
*Alberta 5	1 Oct. 1959	101.00	102.50	4.82	101.50
†Alberta 5½	1 Jan. 1947	103.00	105.00	4.92	104.00
Alberta 6	1 Mar. 1947	103.00	105.00	5.41	104.25
†Brit. Col. .. 4	1 Dec. 1957	94.00	95.00	4.35	94.00
*Brit. Col. .. 4½	15 Jan. 1951	97.50	99.25	4.56	98.25
†Brit. Col. .. 4½	1 Oct. 1953	97.00	99.00	4.58	98.00
†Brit. Col. .. 5	15 Jan. 1948	100.50	102.00	4.78	101.50
Brit. Col. .. 5	1 Sept. 1953	100.50	102.50	4.87	100.75
Brit. Col. .. 5½	1 Feb. 1945	101.50	103.00	5.16	102.00
Brit. Col. .. 6	15 Feb. 1947	103.00	105.00	5.41	104.00
†Manitoba .. 4	1 Dec. 1957	99.00	100.00	4.00	99.25
†Manitoba .. 4½	15 Dec. 1956	103.00	104.00	4.22	103.50
†Manitoba .. 5	15 June 1954	107.00	109.50	4.28	108.00
*Manitoba .. 5	2 Dec. 1959	109.50	110.50	4.32	109.50
Manitoba .. 5½	1 Oct. 1955	109.00	110.50	4.68	109.00
Manitoba .. 6	1 Apr. 1947	110.00	111.00	4.77	110.00
Sask. 4	15 Aug. 1953	90.50	91.50	4.71	90.25
*Sask. 4½	2 July 1945	99.00	100.00	4.50	99.00
†Sask. 4½	1 Oct. 1951	96.00	97.50	4.72	97.50
Sask. 5	1 Aug. 1958	100.00	101.50	4.89	100.75
†Sask. 5½	15 Nov. 1946	104.00	105.50	4.85	104.25
Sask. 6	15 Mar. 1952	107.00	109.00	5.19	107.75

Municipal Bonds

		Bid	Asked	Yield	Bid Aug. 14
†Calgary 5½	2 June 1944	92.00	95.00	6.25	92.00
†Edmonton.. 5½	1 Nov. 1945	93.00	96.00	6.03	93.00
†Halifax 5	1 July 1961	112.50	113.50	4.14	112.50
Hamilton .. 5	1 May 1950	101.00	104.00	4.62	101.00
Montreal .. 5	1 Mar. 1945	104.25	106.25	4.20	104.25
Ottawa 4½	1 July 1945	106.00	109.00	3.43	106.00
†Quebec 5	1 June 1959	107.50	108.50	4.42	107.50
Regina 5	1 July 1944	85.00	90.00	6.50	85.00
St. John ... 5	15 Dec. 1950	108.00	109.00	4.20	107.50
†Toronto ... 4½	1 Jan. 1955	108.50	110.50	3.75	108.50
Vancouver . 5	1 June 1969	87.00	91.00	5.59	87.00
Victoria ... 5	21 July 1945	92.00	96.00	5.53	92.00
Winnipeg .. 5	1 Mar. 1944	104.00	106.00	4.16	104.00

*Payable Can., N. Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N. Y. •Calculated to maturity, although callable prior to that date. ‡Exempt from Dominion income tax.

Active Corporation Bonds

(Furnished by Toronto Bond Traders' Association)

August 20, 1935

Public Utility Issues:	Int. Rate	Due	Bid Aug. 20	Asked	Bid Aug. 14
‡Avalon Telephone	5½%	1948	100	...	[illegible]
Beauharnois L. H. & Pwr.	5½%	1973	94	96½	[illegible]
Beauharnois Power Corp.	5%	1973	40½	43	[illegible]
*Bell Telephone	5%	1955	114	116½	114
*Bell Telephone	5%	1957	117	119½	117
†B. C. Power	5%	1960	98½	101	99
†B. C. Power	5½%	1960	101½	104	101
†B. C. Telephone	5%	1960	103½	106	104
†Calgary Power	5%	1960	100½	103	101
Calgary Power	5%	1964	98½	101	98½
†Canada Northern Power	5%	1953	100½	102½	101½
†Cedars Rapids Mfg. & Pwr.	5%	1953	111	113½	111½
Dominion Gas & Electric	6½%	1945	82½	85	82
§Duke-Price Power	6%	1966	103½	105½	104
*Gatineau Power	5%	1956	88½	90½	89
*Gatineau Power	6%A	1941	77½	80	78½
*Gatineau Power	6%B	1941	78½	79	77½
*Internat'l Hydro-Electric	6%	1944	51	54	52½
†Maclaren-Quebec Power	5½%	1961	70½	73½	72
Maclaren-Quebec Power	5½%	1964	70	73	70½
*Manitoba Power	5½%	1951	54½	57	54½
†Montreal Island Power	5½%	1957	103½	105½	103½
†Montreal L. H. & Pwr.	5%	1951	106½	108	106½
†Montreal L. H. & Pwr.	5%	1970	107	...	106½
†Montreal Public Service	5%	1942	105½	...	105½
†Montreal Tramways	5%	1955	84½	87½	84½
†Montreal Tramways	4½%	1955	79½	82½	80
†Montreal Tramways	5%	1941	100½	103	100½
National Light & Power	6%	1949	93	96	93½
†N. S. Light & Power	5%	1958	103	105	103
†Ottawa Lt., Heat & Pwr.	5%	1957	104	106½	104½
†Ottawa Valley Power	5½%	1970	94½	96½	93
†Power Corp.	4½%	1959	87	90	87
†Provincial Light & Pwr.	5%	1946	105	...	105
*Quebec Power	5%	1968	104	106½	104
†Shawinigan Water & Pwr.	4½%	1970	99½	102	100½
†Shawinigan Water & Pwr.	5%	1970	104½	106½	104½
†Southern Canada Power	5%	1955	104½	107	104½
†United Securities	5½%	1952	81½	83½	82½
†West Kootenay Power	5%	1956	105½	107½	105½
†Western Power Co.	5%	1949	104½	107	104½
*Winnipeg Electric	5%	1935	98	100½	98
*Winnipeg Electric	6%	1954	57½	60½	56½
Industrial and Realty Issues:					
Abitibi Pwr. & Paper	5%	1953	30	32	32
†Acadia Sugar	6%	1946	104	...	103½
†Alberta Pacific Grain	6%	1946	89	92	89
‡Asbestos Corp.	5%	1942	79	82	78
Brandram-Henderson	6%	1936	98	...	98
British American Oil	5%	1945	105	107	105
British American Oil	4%	1945	101	102½	100½
Burns & Co.	5½%	1948	56	...	54
Canada Bread	6%	1941	106	109	106
†Canada Cement	5½%	1947	103½	105	103½
†Canada Paper	6%	1945	100½	...	100½
‡Canada Steamship	5%	1943	100	102	99½
Canada Steamship	6%	1941	42	45	41½
†Canadian Canners	6%	1950	105	107	105
Canadian Cons. Felt	6%	1940	100	...	100
Can. Goodrich	7%	1943	...	...	99½
*Canadian Internat'l Paper	6%	1949	67	70	68½
C. P. R.	6%	1942	107	110	108
C. P. R.	4½%	1944	97	99	97
*C. P. R.	5%	1954	104½	106½	105½
C. P. R.	4%	1949	95	97	96
▲C. P. R. Perp. Debs.	4%	....	87½	90	88½
†Canadian Vickers	6%	1947	73	76	74½
Consolidated Paper	5½%	1961	16	18	13½
Debenture & Security	4%	1936	90	...	90
†Dominion Canners	6%	1940	109	112	109½
†Dominion Tar	6%	1949	99	101	99
Dom. Wool. & W. (with stock)	6%	1948	13	...	12
†Eastern Dairies	6%	1949	89	92	88½
Eaton T. Realty	5%	1949	101	103	101½
†Famous Players	6%	1948	102½	104½	102½
†Famous Players	6½%	1948	94½	97½	96
†Federal Grain	6%	1949	92½	95½	92
Fraser Cos. (unstamped)	6%	1950	54	58	53
Fraser Cos. (stamped)	6%	1950	49	...	48
†General Steel Wares	6%	1952	95	98	96
Great Lakes Paper	6%	1950	43	45	40
†Gypsum, Lime & Alabast.	5½%	1948	89	91	89½
Hamilton Cottons	5½%	1948	101½	103½	101½
*Hamilton By-Prod. Coke	7%	1943	103	105	103
*Hinde & Dauch	5½%	1948	102	105	102
†Internat'l. P. & P., Nfld.	5%	1968	100	102	100
Kingston Elevator Co.	6%	1950	...	...	84½
Lake St. John Pwr. & Pap.	6½%	1947	62½	65½	62
†London Can. Invest.	4½%	1948	80½	...	80
London Realty	6%	1950	88	92	88
†Massey-Harris	5%	1947	87	90	86½
McColl-Frontenac	6%	1949	105	106½	105
†Mercury Mills	5½%	1953	40	45	38
Metropolitan Building	7%	1944	101	...	101
Minn. & Ont. Paper	6%	1945	16½	18½	14½
*Montreal Coke	5½%	1947	103	104½	103
‡Montreal Cottons	5%	1947	99½	...	99½
National Grocers	6%	1948	105	107	105
Northern Ont. Bldg.	6½%	1939	95	98	95
†Penmans	5½%	1951	110	113	109½
*Provincial Paper	5½%	1947	101½	103½	102
Queen's Hotel	6%	1947	82½	85½	82½
*Reliance Grain	6%	1948	99½	101½	99½
Richmond Bay Bldg.	6½%	1947	93	96	93
‡Riordon Pulp & Paper	6%	1942	104	...	104
†Rolland Paper	5½%	1948	103	106	103
Ruddy & Co., E. L.	6½%	1948	89	92	89½
St. Lawrence Flour	6%	1941	103	...	103
†Simpsons Ltd.	6%	1949	103½	105	103½
†Simpsons Ltd.	6%	1949	99	102	99½
†Smith, Howard	5½%	1953	103½	105½	103½
‡Steel Co. of Canada	5½%	1940	111½	...	111½
Stop & Shop	6%	1947	57½	...	55
Toronto Carpet	6%	1944	102	...	102
United Amusement	6%	1942	98	...	98½
United Grain Growers	6%	1948	93	96	91½
United Grain Growers	5%	1949	97	100	96
‡Wabasso Cotton	5½%	1947	102	...	102
Wabasso Cotton	6%	1942	104½	...	104½
Western Grain	7%	1949	73	...	70
Woods Mfg.	6%	1943	101	...	101
Zimmerknit Mfg. Co.	6%	1951	99½	...	98

§Payable in U. S. only. *Payable in Can. or U. S. ‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. ▲Payable in N. Y.

Unlisted Mining Stocks

August 20, 1935

	Bid	Asked		Bid	Asked
Ascot	.27	.29	Hudson Patricia	.08	.10
Arntfield Gold	..	.77	Jellicoe	.04	.05
Arntfield Synd.	..	.95	Johnson Nip.	.01½	.02½
Adanac	..	.08	Kirk. Gold Belt	.12	.14
Ardeen	.06½	.07½	Lafayette L. Lac	.05	.06
Athona (Gt. B. L.)	.75	.80	La Palme	.21	.23
Athabaska Portals	.20	.22	Long Lac Lagoon	.04½	.06
Bailor	.01	.02	Lamaque Gold	2.20	2.28
Bidgood Kirk.	.03½	.05	MacFarlane	..	.04
Bankfield Gold	.45	.47	MacL. Cockshutt.	.04½	.05½
Bathurst	.01½	.02½	Magnet Lake	.04	.06
Bosquet Gold	.10	.11	Matachewan Can.	.11	.13
Can. Pandora	.04	.05	McCarthy Webb	..	.06½
Can. Radium	.47	.49	Morrison Mines	.15	.17
Casey Summit	.05	.06	Mosher	.03	.04
Canusa Mining	.05	.06	N.A.M.E. Un.	18.00	20.00
Casey Contact	.06½	.07½	North Shores	.04	.04½
Central Porc.	.23	.25	Oklend	.24	.26
Cons. Chib. Free	.55	.58	O'Leary	.06	.08
Cons. Chib. Pool	.50	.54	Opemiska	1.05	..
Columario Cons.	.01	.02	Pamour Porc.	1.95	2.05
Dorval Siscoe	2.50	3.50	Rice Lake	..	.04½
Dunlop Cons.	.00½	.01	Shawkey	.43	.45
El Bonanza	.13	...	Silverado Gow.	.39	.41
Forty-Four Gold	6.75	7.50	Smelter Gold	.05	.06
Glenora Gold	.06	.08	Smith Cobalt	.03½	..
Galatea	.05	.06	Straw L. Beach	.17	.19
Goldside	.06	.08	Sturgeon R. Gold	.87	.89
Gold Eagle	.32	.34	Sun Bear	...	.16
Greenlaw	.06	.07	Thom.-Cadillac	.03	.04
Hardrock	.45	.47	Wells L. Lac	.12½	.14
Hardrock Units	47.00	51.00	Wingold	.08	.08
Hislop Gold	..	.07	Wendigo	.14	.16
Horseshoe	.02	.03	Young David	.14	.16

Winnipeg Stock Exchange

(Transactions from Aug. 9 to Aug. 15)

Div. rate in $	Yield in %		Sales	High for period	Low for period	Close Aug. 15
..	..	Cres. Creamery, pf.	1	25.50	25.50	25.50
..	..	Flin Flon Synd.	300	.18½	.18	.18
..	..	Forty Four	150	8.25	8.00	8.25
..	..	Knee Lake	500	.30	.30	.30
..	..	Island Lake	4,000	.02½	.02	.02
..	..	Pelissiers, pfd.	15	15.00	15.00	15.00
..	..	Gold Lake	600	.25	.20	.25
..	..	Rice Lake Units	10	1.50	1.50	1.50
..	..	Rice Lake shs.	1,000	.03	.03	.03
..	..	Ore Grande	2,000	.05	.05	.05
..	..	Shawkey	2,000	.45½	.45½	.45½
1	6.7	United Grain	6	15.00	14.50	14.50
..	..	Wingold	6,610	.07	.06	.06
..	..	West Brew.	15	2.00	2.00	2.00

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Fire	..	100	Northern Trust	..	8
Beaver Lumber, c.	..	3	Rel. Grain, pfd.	..	66½
Canadian Fire	72	..	West. Grain, pfd.	8	..
Crescent Cream, p.	25	..	Can. Amer. Trust	3.05	3.30
City Dairy A	..	10	Can. Inv. Fund	..	3.80
Federal Grain	..	1	Fundamental A	4.95	5.50
Federal Grain, pfd.	27½	..	Series B	4.69	..
Home Investment	25	..	Grouped Inc.	..	5.05
Monarch L. 10% pd.	17	19			

*Stocks more active on other exchanges not included.

Montreal, Toronto and Curb Markets (Cont.)

Range 1935 High	Low	Divd. Rate in $	Y'ld in %		Sales	Close Aug. 12 (last)	High	Low	Close
				V					
2.00	1.00	.	...	Viau Biscuit	25	1.50	[illegible]	1.00	1.00
20½	12	.	...	Do. pref.	....	20½	..	..	..
				W					
27	16	.	...	Wabasso Cot.	....	20	..	..	..
33	23	.	...	Walker-Good.	5458	28½	29½	27½	27½
18½	16½	1	5.5	Do. pref.	1267	18	18	17½	18
4.25	2.50	.	...	Walkerville Br.	3420	2.95	2.95	2.50	2.50
2½	1	.	...	Waterloo Mfg.	140	1½	2	1½	2
6	2½	.	...	West. C. Flour	50	3	3	3	3
52	20	.	...	Do. pref.	10	26½	26	26	26
36	32	50c	...	West. Grocers	....	36	..	..	..
100	95	7	7.1	Do. pref.	....	99	..	..	..
120	120	7	5.8	W. Koot. Pr. pf.	....	120	..	..	..
46½	27	1	3.2	Weston Ltd.	310	31	31½	31½	31½
115	108	7	6	Do. pref.	26	111	115	113	113
6	1½	.	...	Whittall Can.	115	5	5	5	5
85	75	6.50	7.6	Do. pref.	....	85	..	..	..
3	2	.	...	Windsor Hotel	....	2	..	..	..
8	6	.	...	Do. pref.	....	6	..	..	..
2.25	.90	.	...	Winnipeg Elec.	115	1.25	1.50	1.40	1.50
10	4	.	...	Do. pref.	....	8	..	..	..
30	20½	.	...	Wood, A & J, p	....	20½	..	..	..
70	55	.	...	Woods Mfg. pf.	....	60	..	..	..
				Z					
5½	2½	.	...	Zimmerknit, c.	10	2½	3	3	3
85	63½	7	11	Do. pref.	....	63½	..	..	..

‡ Quotations for 1934. § Quotations for 1933. ¶ Quotations for 1931. No sales recorded in 1935 to date.
b New York Quotations. a On account of arrears.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

August 20, 1935

Industrial Stocks:	Bid	Asked
Acadia Sugar, c.	2.25	2.90
Do., pfd.	4.25	5.00
Acme F. Dairy, p.	41.25	...
Allens Beach, pfd.	50.50	...
Allens Tor. p. b. c.	22.50	...
Aluminium Ltd.	27.00	30.00
Andian National	46.00	47.50
B. C. Pulp, pfd.	6.50	8.50
Burns, Ltd., A	6.00	8.00
Do., B	3.00	4.00
Can. Paper, pfd.	65.00	75.00
Can. Starch, c.	12.50	...
Do., pfd.	83.00	...
Can. Wire & C., p.	55.50	57.50
Can. Indust., A	194.00	...
Do., B	193.00	...
Do., pfd.	157.00	159.00
Can. Marconi, c.	1.70	2.00
Can. P'board, p. b.	4.25	6.00
Can. Tube 1st pfd.	29.50	...
Can. Westing.	47.50	48.50
Chase, pfd. bonus	23.50	26.00
Cl. Neon Ad. U.	4.00	5.00
Copeland Fl. U.	4.50	6.00
Dom. F. & Steel com. (New)	20.00	...
Do., pfd. (New)	70.00	...
Dom. Woollens, c.	.40	.85
Dunlop Tire, pfd.	68.00	71.50
Eastern Dair. p.	11.50	13.00
Edm. C. Dairy, p.	49.50	...
Fed. Grain, c.	.50	1.00
Do., pfd.	27.00	28.50
Goderich Elevator	5.00	5.75
Green. Wire, p.	99.00	102.00
Guelph Carpet, p.	98.00	99.00
Do., com.	14.50	15.50
Hayes Wheels, p.	...	10.00
High. Dairy, c.	3.00	3.85
Do., pfd.	79.00	...
Huether Brew. pfd. bonus	3.25	4.00
Inter City Bak. c.	17.00	19.00
Inter. Met Ind. A, pfd.	35.00	39.00
Inter. Paints, pfd.	19.50	20.50
Loew's London, p.	1.75	2.25
Mansf. Theat., p.	24.25	26.00
Massey Harris, p.	26.00	29.00
Mercury Mills, p.	6.00	9.75
Morrow Screw, p.	95.50	...
New M. Laund. pfd. bonus	62.00	65.00
Niag. W. Weav., p.	50.50	51.50
Para. Oshawa, p.	58.00	...
Perf. Pet., p.	...	...
Prov. Paper, p.	99.50	101.00
Rel. Grain, pfd.	62.00	65.00
Rob. Cons. Cone	7.50	8.25
Ruddy, pfd.	26.50	...
Std. Fuel, p. bon.	102.50	103.50
Supert. Pet. B	26.00	27.75
Tor. Carpet, pfd.	30.00	...
United Amuse. A	10.00	13.00
Do., B	10.00	12.25
Un. Steel, pfd.	3.50	4.50
West. Grain, p. b.	9.00	11.00
Insurance Stocks:		
Brit. America	36.00	40.00
Canada Life	450.00	...
Canadian Fire	73.00	79.00
Can. Ins. Sh's c.	10.00	12.00
Conf. L. 20% pd.	122.00	125.00
Cont. L. 20% pd.	35.50	40.00
Crown Life	113.00%	...
Dominion Fire	111.00	...
Dom. L. 50% pd.	250.00	300.00
Dom. Gen.	...	85.00
Empire L. 25% pd.	5.00	...
Excels. L. 30% pd.	69.00	74.00
Fed. Fire 25% pd.	36.50	40.00
Fidelity of Can.	46.00	...
Gt. West Life	400.00	415.00
Guar. of N. A. fully pd.	241.00	...
Imperial Life	315.00	...
Manuf. Life	250.00	260.00
Mon. L. 10% pd.	16.00	18.00
Nat. L. 25% pd.	53.00	57.00
Sov. L. 25% pd.	14.00	16.00
Sun Life	440.00	455.00
Tor. General	4.25	5.25
West. Assur. com.	35.00	38.50
Do., pfd.	40.00	...
W. Em. L. 20% pd.	...	9.00
Trust & Loan Stocks:		
Chartered Trust	75.50	...
London & W. Tr.	30.50	35.00
Premier Trust	85.50	91.00
Sterling Trust	30.00	35.00
Traders Fin. B, p.	63.00	...
Do., com.	.70	...
Trusts & Guar.	33.00	35.00
Victoria Trust	120.00	126.00
Waterloo Trust	98.50	...
Sherbrooke Tr.	110.00	...
Investment Trust Shares:		
Can. Gen. Invest.	6.20	6.50
Can. Investors	5.50	6.00
Can. Invest. U.	27.50	29.00
Can. Invest. Fund	3.35	3.80
Cons. Div. Std. Sec. Units	10.50	12.50
Deb. & Sec. pfd.	27.00	...
Dom. & Anglo Inv. Units	195.00	...
Dom. Scott. In. U.	23.00	26.00
For. Power Sec. p.	...	10.50
Invest. Found. U.	39.50	41.00
Sec. Holding U.	11.25	13.00
United Corpns. A	17.50	18.50
Do., B	5.50	6.50
Power Issues:		
Can. L. & P. c.	25.25	28.00
Can. W. N. Gas, p.	94.00	96.50
Do., com.	21.00	23.50
Gt. Lakes Pwr. p.	68.50	....
N. B. Tele., c.	10.00	11.50
N. S. L&P, c.	45.50	47.00
Do., pfd.	96.00	98.00

Recent London Quotations:

Brit. Col. Tele., pfd.	$103
Brew. & Distillers	4s. 6d.
Canada Company	7s. 6d.
Can. & For. Secs.	4s.
Can. Collier, $1 com.	1½d.
Do., pref. $10	4½d.
Can. N. W. Land	10s.
Can. West. Lumber	10½d.
Hudson's Bay	17s. 7½d.
Do., pref.	89s. 9d.
Imp. Tob. (Canada) 6% pfd.	27s. 6d.
Third Can. Gen. Inv.	6s. 6d.

Listed Bond Quotations

Week Ending Aug. 19, 1935

	Int. Rate	Due	Yield	Latest Bid	High	Low	Range 1935 High	Low
Mtl. L. Debs	3	1939	2.85	50½	50½	50½	50½	46
McNish	6	1940	—	3.25	3.50	3.25	4.00	3.10

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FIRM WITH LONG AND SUCCESSFUL manufacturing and selling experience is in a position to add a new line capable of national and export development. Will invest in or buy outright; preferably in old established business of high repute where owners are thinking of retiring. Address in confidence. Box 222, The Financial Post.

Wanted

YOUNG MAN, COLLEGE GRADUATE, with some experience in financial reporting and statistical work of financial nature. Apply Box 224, The Financial Post, 481 University Ave., Toronto.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 194

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1935, and that the same will be payable at the Bank and its Branches on and after Tuesday, 3rd September next, to shareholders of record at the close of business on the 31st July, 1935. The Transfer Books will not be closed.

By Order of the Board,
S. H. LOGAN,
General Manager.

Toronto, 19th July, 1935.

The Bank of Nova Scotia

Dividend No. 263

Notice is hereby given that a Dividend of three per cent on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of September 16th, and that the same will be payable on and after Tuesday, the first day of October next, at any of the offices of the Bank in Canada.

By order of the Board.
H. F. PATTERSON,
General Manager.

Halifax, N.S., August 13th, 1935.

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 30th September, 1935, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the 1st day of October, 1935, to shareholders of record of the 20th September, 1935.

By Order of the Board.
DUDLEY DAWSON,
General Manager.

Toronto, 15th August, 1935.

Lake Shore Mines, Limited

(No Personal Liability)

Dividend No. 62—Bonus No. 23

Notice is hereby given that a quarterly dividend of fifty per cent, together with a bonus of fifty per cent, on the issued capital stock of the Company, will be paid on the sixteenth day of September, 1935, to shareholders of record at the close of business on the second day of September, 1935.

By order of the Board.
KIRKLAND SECURITIES, LIMITED.
Secretary.

Dated at Kirkland Lake, Ontario, August 15th, 1935.

ANGLO-CANADIAN TELEPHONE COMPANY

Class B Common Dividend Notice

Notice is hereby given that a dividend of One Per Cent. (1%) has been declared on the Class B Common Stock of the Company, payable September 4, 1935, to Stockholders of record at the close of business on August 15, 1935.

By Order of the Board.
GEOFFREY PURDY,
Secretary.

Montreal, July 30, 1935.

ANGLO-CANADIAN TELEPHONE COMPANY

Class A Dividend Notice

Notice is hereby given that a dividend of One and One-Quarter Per Cent. (1¼%) has been declared on the Class A Stock of the Company, payable September 3, 1935, to Stockholders of record at the close of business on August 15, 1935.

By Order of the Board.
GEOFFREY PURDY,
Secretary.

Montreal, July 30, 1935.

SISCOE GOLD MINES LIMITED

Notice of Dividend No. 14

NOTICE is hereby given that a Dividend of Five Cents (5¢) a share on the issued Capital Stock of Siscoe Gold Mines Limited has been declared payable on September 16th to shareholders of record at the close of business on the 31st day of August 1935. The stock transfer books of the Company will be closed from September 1st to September 15th inclusive for the purpose of the payment of the said dividend.

By order of the Board,
H. E. GREEN,
Secretary-Treasurer.

Montreal, 16th August, 1935.

Wheat

Europe Is Cautious

WINNIPEG.—While there is a good deal of bullish sentiment in connection with wheat it is slow to express itself in speculative buying while the hesitation of British and European buyers to take on larger quantities of Canadian wheat exists. There is a feeling that Europe does not yet fully recognize all the harm that has been done to the Canadian wheat crop, nor the possibility of large quantities of high grade Canadian wheat finding a market in the United States this year.

It is also felt that overseas buyers are counting to perhaps an unjustifiable extent on the desire, which amounts to practically a necessity, for the Canadian wheat board to liquidate a large percentage of government holdings during the current crop year. But speculative buyers are cautious, remembering various occasions in the past when Canadian bullish sentiment resulted in keeping prices for Canadian wheat too high, with the result that Canada missed her market.

No one can understand how British and European needs are to be met without calling on Canadian supplies to a much greater extent than is currently the case, but so long as the small export shipments continue, and so long as uncertainty exists as to how the Canadian wheat board is to manage its affairs, there is a good deal of hesitation about making commitments in the wheat market.

* * *

Trade Puzzled

ALTHOUGH the Canadian Board has been appointed it is evident that they have not so far taken over from the former agency through which transactions were carried on on behalf of the Canadian Government, Canadian co-operative wheat producers Ltd., and John I. McFarland, head of the new board, is still carrying on as general manager of the latter agency, which is still very active. All switching of hedges, and delivery of grain on open contract is still being arranged through it..

The trade is much puzzled to know what line of policy is to be pursued by the board, for although there was some indication of a desire to allow the normal machinery of the trade to function, Canadian co-operative wheat producers are still calling for delivery of large quantities of grain on open contracts. All contract grade wheat in store in terminal elevators is being demanded, and if that policy is maintained it is going to make it very difficult for the ordinary hedging processes to be carried on.

It is believed that the intention is to start the new board officially in operation on the first of September, by which time a declaration policy from it both with respect to the minimum fixed price it is to set, and the way in which it proposes to conduct business will be forthcoming. The lack of information on these points is causing a good deal of confusion for the present.

* * *

Crop Prospect

FURTHER devastation of the wheat crop prospects of western Canada was caused by heavy frosts which occurred last week over large areas of north western Saskatchewan and Northern Alberta. It seems clear that some late and green wheat was caught by heavy frost when it was in the milk stage and practically total destruction of prospects of a harvest would take place.

But immediately adjacent there might be areas where the crop was more advanced, and where in consequence it has a much greater ability to withstand frost and where also the temperature might be much more moderate. In such areas it is possible that no greater damage than the loss of a grade or two in the harvested crop would take place. Nothing, however, except the test of threshing time can reveal what actually has occurred.

While attempts are now being made to estimate the size of the wheat crop, nothing but a guess is yet possible. It must be remembered that the damage wrought by rust, by drought, to some small extent by grasshoppers and now by frost was to a crop which had tremendous possibilities to begin with, so the quantity of grain left after all damage is accounted for may be larger than the total area exposed to damage would indicate. A reasonable possibility is that the total quantity of wheat harvested and marketed in western Canada this year will exceed last year's quantity, but that the total quantity of millable wheat, according to ordinary definitions, may be less. Nevertheless the lower grades, although they would not ordinarily be called millable, when better wheat is available, may yet find a market.

* * *

Government Will Save

CUTTING is now under way in all three provinces and some surprising yields are reported. One thing certain is that the prairie government's relief feed bill will be pretty well conspicuous by its absence and will mean a saving of millions of dollars to all three governments. Manitoba may have to spend something but rusted wheat is not a negligible quantity as feed.

* * *

Board Controls Supply

ALTHOUGH October and December wheat have now been on the board for some days without any artificial support, either in the way of a pegged price or of stabilization buying on the part of the government, quoted prices are not yet to be accepted as a test of general opinion of values. With restrictions on short selling imposed by the Winnipeg Grain Exchange there are practically only two classes of wheat agents for October and December delivery. These are the government agency on the one hand and elevator companies to the extent that they are buying new wheat from farmers. Deliveries are very small to date, so the government agency, the Canadian Wheat Board, is still the only source of supply for any considerable quantity of wheat.

The August price is to be regarded as artificial to some extent. The government agency has a tight corner of August wheat, and holds contracts for considerably more wheat than can possibly be delivered during that month. It has eased the situation to some extent by allowing hedges on certain quantities of wheat in various positions to be transferred to October at a carrying charge. But all difficulties have not yet been ironed out, and hedgers of flour and wheat in various positions in the United States and Europe and in transit overseas are not sure just how they are to be allowed to adjust their commitments. There are stories that the government agency is still in pursuit of some short interest which it believes to exist, although the figures published at Ottawa showed that any such interest must be comparatively small. It would not need any very large interest to enable the nominal level of prices to be kept fairly high until the end of this month. The fact that August wheat is being kept at a premium over October would indicate that a squeeze is being applied to some extent.

Hollinger Consolidated Gold Mines, Limited

Dividend Number 270

A regular dividend of 1% has been declared on the Capital Stock of the Company, payable on the 9th day of September, 1935, to shareholders of record at the close of business on the 23rd day of August, 1935.

Dated the 16th day of August, 1935.
I. McIVOR,
Assistant-Treasurer.

'PEG MARKET NOW OPERATES ON NEW RULES

Short Selling Eliminated —Spreads, Fluctuations Restricted

From Our Own Correspondent

WINNIPEG.—Complete elimination of short selling on the Winnipeg Grain Exchange except for trades evened up the same day as made is provided for by stringent rules governing trading in the October and December wheat futures before these were allowed to come on the board.

Hedging sales are allowed against Canadian wheat or products in any position, the sale of futures contracts previously made, or the sale of grain in one month accompanied by corresponding purchases in other months. But spreading sales on the Winnipeg market against purchases in other markets, or between grains of different kinds are not allowed.

At the same time fluctuations in excess of three cents a day in futures transactions on all grains except flax, in which the limit is five cents have been forbidden, this applying to both advances and declines.

Contrary to Custom

Such stringent regulations are contrary to the ordinary theory of the open market, for a short position in the market is usually regarded as a source of strength, cushioning it against any sudden tendency to decline, and it is recognized that purchasers may hesitate to come into a market so restricted. Nevertheless it is believed that the extraordinary conditions under which the market has now to operate, to all intents and purposes starting from zero so far as buying is concerned, make temporary restrictions necessary.

In addition, these restrictions give the Canadian Wheat Board an opportunity to make the maximum sale of wheat from its stocks, and sales by the Board, if the Winnipeg market shows a tendency to get so far out of line with world markets as to prevent export sales, have to be counted on instead of the spreading transactions between different markets which in ordinary times keep them in line.

New Garnet Grade

The two new grades of Garnet wheat have been made deliverable on the option, No. 1 Garnet at five cents under No. 1 Northern, or two cents under No. 2 Northern, and No. 2 Garnet at eight cents under No. 1 Northern, the same as No. 3 Northern. At the same time No. 4 Northern, and also No. 4 Northern special, a new grade introduced to take care of light weight rusted wheat have been made deliverable at 18 cents under No. 1 Northern. For a number of years No. 4 Northern has been deliverable on the contract at 21 cents discount, but in practice has never been delivered, as the spread has always been narrower than this in delivery months. In view of the large quantities of low-grade wheat which will be marketed this year it was felt necessary to make some practicable provision for delivery, in case of shortage of higher grade wheat for delivery on the contract.

As soon as the October future was posted, elevator companies began to base their buying in the country on that month. But the quantity of new wheat yet available is very limited, so the Wheat Board must be for some time the principal seller of wheat for future delivery, and for a few weeks at least any holding off by it from selling may create a real shortage of offerings to meet actual demands.

Price Cutting Hits Winnipeg Bread Plants

A bread price-cutting war is being fought out in Winnipeg. The gentleman's agreement entered into last October, setting the price at two one-pound loaves for nine cents, fell through last week. What is believed to have been the cheapest bread in any Canadian city is now still cheaper, the first cut being to seven cents for the two loaves. Some 2,000 retail stores are affected.

Bakers claim that Neal Bros. is responsible for the cut, but will follow suit in a determined effort to retain their trade. The Winnipeg branch of the Retail Merchants Association is taking the situation up with the provincial attorney-general to see what may be done to bring all companies into line at a profitable selling price.

Sponsor Cranberries

Dominion Department of Agriculture officials are making a tour of areas in New Brunswick which contain bog cranberries in profusion with the object of establishing a Cranberry Illustration Station to assist growers and encourage the growing of these berries on a commercial scale. The new station will also, likely, be the means of introducing new varieties for cultivation.

When Will It Dwindle?

Reports from the West indicate a more hopeful prospect of some reduction in Canada's wheat surplus. For the past few years an increasing volume of grain has been left on hand, as is illustrated in the above chart, which pictures the July 31 carryover of Canadian wheat, including that held in United States positions.

Canadian Wheat Situation Enters Transition Stage

Price Ratio Will Determine Proportion of Crop Marketed By Board — Should Reduce Accumulated Surplus

From Our Own Correspondent

WINNIPEG.—With the appointment of the Canadian Wheat Board, and with the posting of the October and December options on the Board of the Winnipeg Grain Exchange, an entirely new situation is developing here. But it is impossible yet to state what that situation is to be.

The new Board may find itself in the position of handling all the wheat of the new crop, none of the new crop, or any undetermined fraction of it, varying from time to time, or from grade to grade. It all depends upon the relation of the Board's fixed price to the market price for wheat.

Deliveries in Doubt

If the market offers for any grade of wheat only the Board's fixed price, or anything less, a farmer will certainly deliver to the Board. If the market price is only fractionally above the Board price the farmer will probably deliver to the Board, and take a chance that the participation certificates he gets may be worth more later on than the immediate difference he sacrifices. But if the market price is substantially higher than the Board price the great majority of farmers will sell outright.

A limited number of farmers are likely to deliver to the Board in any event, but the experience of the voluntary pools operated during the past few years indicates that the number who will pool their grain under any circumstances is comparatively small.

Change in Policy

The new Board is taking over the wheat and contracts for wheat formerly held by Canadian Co-operative Wheat Producers Ltd., a quantity not definitely known, but something probably in excess of the total official carry-over of Canadian wheat, as there are included hedges in the futures market against flour and against Canadian wheat in non-reporting position. That fact gave Canadian Co-operative Wheat Producers Ltd. a complete corner of the August delivery month, as it held hedging contracts against great quantities of wheat which because of position or grade, or manufacture into flour could not possibly be delivered on the contract.

Up to a few days before the formation of the Canadian Wheat Board it was the declared plan to make use of that position to acquire for the government agency every bushel of Canadian wheat, in no matter what position, so that nothing except actual wheat, and no futures contracts would be turned over to the new Board. The government, however, appears to have listened to the flood of protests received from many quarters to the effect that such procedure, by depriving commercial agencies of their stock in trade, would bring the business of exporting wheat to a complete halt, and prevent the normal functioning of the trade machinery, of which the Canadian Wheat Board is by law instructed to make use.

Aim At Normal Procedure

Since then arrangements have been made by which the government agency is to take delivery of only a portion of the grain hedged, while hedges on country stocks and some grain in other positions have been transferred to October. That will put the Board in the position of being an extensive holder of October wheat, as well as the actual owner of large quantities of wheat at the head of the lakes, in eastern elevators and some quantities at Vancouver.

That procedure, together with the indicated desire of the government that trading in October wheat should commence before the Board's fixed prices should be established, seemed to indicate a desire that the normal trade machinery should function. The previously indicated procedure seemed to point to bringing the ordinary machinery to a halt, which would probably have been followed by a declaration of the compulsory sections of the Wheat Board Act, giving the Wheat Board a complete monopoly of the trade.

No Glut Expected

The prospective crop of western Canada has been so much reduced by rust, drought and now by frost, and the possible outlet for it appears so much better than that which prevailed last year, that the demand should take care of all new wheat coming on the market, and as well of a very considerable part of the surplus carried over under government auspices.

The problem of the Board, so far as the surplus is concerned is twofold. It must sell it with sufficient rapidity to make sure that Canadian wheat reaches the international market in adequate volume from day to day and from week to week. And at the same time it must not press sales of existing stocks with such vigor as to preclude an immediate demand for new wheat as it reaches the market. It cannot altogether lose sight of the "stabilization" motive which governed buying operations in the futures market through Canadian Co-operative Wheat Producers. It can no longer buy to stabilize prices, but stabilize by regulating its selling, not so rapidly as to clog up market channels, and not so slowly as to allow the Canadian level of prices to be maintained so high as to prevent export sales from being made.

ACREAGE GAIN OFFSETS RUST LOSS

All Provinces Show Gain in Acreage Under New Figures

From Our Own Correspondent

REGINA.—While frost and rust are reducing the quality and quantity of prairie wheat production one fact that should not be overlooked is the increased acreage reported by the Dominion Bureau of Statistics over the intentions to sow as reported in May.

The increase for the three provinces, Saskatchewan, Manitoba and Alberta amounts to 753,000 acres and with a minimum of ten bushels per acre, 7,500,000 bushels would be added to any estimate based on intentions to sow.

This increase was reported on August 12 by the Dominion Bureau of Statistics and will stand as the acreage figure.

Saskatchewan Best

The largest increase is, of course, in Saskatchewan where the provincial government staged a spring campaign to get farmers to sow all the grain they could. As a result late sowings above intentions to sow totalled 474,000 acres, bringing the Saskatchewan acreage from 12,732,000 acres to 13,206,000 acres.

The Manitoba increase totals 130,000 acres above 2,457,000 acres and Alberta's up 149,000 acres from 7,351,000 acres.

Key Facts About Wheat

	Week bu.	Prev. Week bu.	Same Wk. Prev. Year bu.
Canadian Wheat in Store:			
Fort William (Aug. 16)	55,615,238	62,848,718	54,225,343
Country elevators (Aug. 9)	46,059,576	47,202,128	63,538,649
Total (all points), (Aug. 9)	193,799,296	196,984,365	187,231,597
World Shipments (incl. flour) Aug. 12:			
North American	1,533,000	2,696,000	3,960,000
Argentine	2,935,000	1,497,000	6,144,000
Australian	1,013,000	1,466,000	816,000
Black Sea	....	....	....
Total (world)	6,345,000	6,283,000	11,720,000
Country Marketings and Exports:†			
Canadian exports (Aug. 9)	1,597,326	1,253,886	2,754,148
Cum. to Aug. 9 (52 weeks)	119,589,951	117,992,625	156,059,081
Country marketings (Aug. 9)	1,444,683	2,616,541	1,509,147
Cum. to Aug. 9 (53 weeks)	231,193,993	229,749,310	229,140,412
Country deliveries (Aug. 16)‡	1,571,000	1,037,000	3,534,000
Country loadings (Aug. 16)‡	3,592,000	2,552,000	3,416,000

†Excluding flour. ‡Sanford Evans Weekly Report.

Winnipeg Grain Prices

Week to August 20, 1935

Crop year from Aug. 1, 1935 High	Low		Open Aug. 14	High for week	Low for week	Close Aug. 20
		Wheat				
.86⅝	.81	Aug.	.81⅞	.86½	.81⅞	.86⅛
.85⅝	.82¾	Oct.	.....	.85⅝	.82¾	.85
.86⅛	.82¾	Dec.	.....	.86⅛	.82¾	.85
		Oats				
.35½	.31⅞	Oct.	.32⅝	.34⅛	.32¼	.33⅝
.33⅛	.30	Dec.	.30⅛	.32⅝	.30⅛	.31¾
		Barley				
.37⅞	.33½	Oct.	.33⅞	.35⅝	.33⅞	.34⅝
.38½	.33⅞	Dec.	.34¼	.35⅝	.34⅛	.34⅝
		Flax				
1.31	1.21¼	Oct.	1.23	1.28⅝	1.23	1.26⅞
1.29¼	1.19¾	Dec.	1.20	1.25½	1.20	1.23¾
		Rye				
.42½	.36¾	Oct.	.37⅞	.39⅛	.37⅞	.37¾
.43⅞	.38⅛	Dec.	.39⅛	.40¼	.38⅛	.39

Trade Compromise Is Sought by Japan

From Our Own Correspondent

OTTAWA.—Prospects of a satisfactory settlement of the trade war now in progress between Canada and Japan are regarded at Ottawa as much brighter than at any time since prohibitive tariffs were imposed.

It is learned, authoritatively, that negotiations between the two governments were reopened last week at the instance of Japan. These negotiations were welcomed at Ottawa and last Saturday they took an unexpected and distinctly hopeful turn. It is learned that Japan now desires to compromise with Canada, although the nature of the proposition which has been placed before the Bennett Government is not yet clear.

Ontario Mines Gold Production Slightly Lower

Ontario's gold production in July was slightly lower than in the previous month, the regular monthly bulletin of the Ontario Department of Mines shows, output for the month being valued at $6,403,057 as compared with $6,643,130 in June. This compares with an output of $5,825,430 in June, 1934.

Production during the first seven months of the year was approximately $1 million higher than in the corresponding period of last year. Output to the end of July had a value of $41,661,245 as compared with $40,692,759 in the first seven months of 1934.

Mill tonnage recorded a slight decrease from June, a total of 582,759 tons of ore being treated in July as against 590,329 in June and 534,541 tons in July, 1934. Tonnage for the seven months was higher at 3,959,718 tons.

ARGENTINE WHEAT ESTIMATES LOWER DUE TO DROUGHT

Probable Crop Estimated Between 150 and 175 Million Bushels

Reduction in Argentine wheat acreage on account of drought during the seeding season may shortly become a factor of great importance in the international wheat market. Broomhall's latest report indicates a seeded area of only 14,000,000 acres in wheat. The pre-war acreage was 16,000,000; the peak acreage reached in 1928 was 22,000,000; and the tendency in recent years has been for the acreage to fluctuate about a normal of 20,000,000. The average yield for Argentina in recent years has been just under 12 bushels to the acre, although the pre-war average for several years was under 10 bushels and only in an unusually favorable season will it rise as high as 14 bushels.

It is perhaps too soon to accept the seeded acreage figures as final, as the mild winter of the Argentine allows the seeding season to be prolonged. Wheat seeded is a fall wheat, expected to grow to some extent before winter, and to remain dormant during the winter. But neither there nor in Australia are the seasons so definitely marked as to make it necessary for wheat to grow and ripen during a rigorously limited period.

Crop Estimate

The probable limits of the new Argentine crop seem to lie between 150 and 175 million bushels, with a possibility of being somewhat smaller. Argentina's own requirements are between 80 and 90 million bushels, and those of Brazil, practically all supplied by Argentina, are from 30 to 35 million bushels. Whatever is produced in excess of 125 million bushels is likely to be exported, chiefly to Europe, and mainly during the first six months of the calendar year. A heavy crop can mean up to 100 million bushels shipped to Europe during that period; a light one, shipments which might not exceed a quarter of that quantity.

Argentina's surplus wheat for export to Europe during the remainder of this crop year is small, but Europe, including Great Britain, would normally expect heavy shipments to commence again with the beginning of the new year.

Wheat Prices

(Cash Quotations)

	Aver. for week Aug. 9 $	Previous week $
At Winnipeg:		
No. 1 Man. Hard	0.848	0.848
No. 1 Northern	0.845	0.848
No. 2 Northern	0.816	0.818
No. 3 Northern	0.766	0.768
No. 4 Northern	0.711	0.709
No. 5 Wheat	0.658	0.654
No. 6 Wheat	0.645	0.655
Feed Wheat	0.606	0.608
At Vancouver:		
No. 1 Northern	0.816	0.821
At Toronto:		
Milling Wheat*	0.575	0.580

Competitive Export Prices: (August) shipment:

	High (Week to Aug. 16) $	Low (Week to Aug. 16) $
No. 1 North. (Vanc.)	0.94¼	0.93¼
No. 2 North. (Atlan.)	0.95⅞	0.92½
No. 2 North. (Vanc.)	0.90½	0.89⅝
Argentine Rosafe	0.76¼	0.74⅞
Do., Barusso	0.73¾	0.72⅛
Australian	0.81½	0.81½
West Australian	0.84½	0.83½
French	0.59	0.58
Russian	0.78¼	0.77⅝

*New crop.

Car Orders

Way Cleared for Placing of Rail Equipment Contracts

From Our Own Correspondent

MONTREAL. — Delay over the terms and conditions of the financial aid to be given by the Dominion Government to the Canadian National and Canadian Pacific Railways in purchasing new equipment and repairing old equipment, are reported to have been settled.

The arrangement between the three parties provides for an advance of $15 millions to be spent on equipment. About $9 millions will be divided between Canadian Car and Foundry Co., Eastern Car Co., and National Steel Car, while the remainder will be expended in the shops of the two railways for repairs to existing equipment and the manufacture of some new equipment.

Tenders have been asked by both railways on new equipment and while no official information is available as to the manner in which the expenditure will be distributed, one report is that Canadian Car will receive $4 millions of business; National Steel Car $3 millions and Eastern Car, $2 millions.

The Federal aid of $15 millions is being provided chiefly as relief for unemployment and of the total advance $8 millions will go to the Canadian National and $7 millions to the Canadian Pacific.

ESTIMATE CROP LETHBRIDGE AREA AT 20 MILLION BU.

Encouraging Report Despite Driest Season in 20 Years

From Our Own Correspondent

LETHBRIDGE. — Southern Alberta will produce a 20 million bushel wheat crop.

This is the forecast as the harvest gets under way. Of the amount stated, 18 million bushels will be shipped, the remaining 2 million bushels being retained for feed and seed. The amount is based on an estimated 10-bushel average.

Last season this territory marketed 26,000,000 bushels. While the average yield is fixed at 10 bushels it is likely to exceed that rather than go under it for returns from the field to date are very encouraging despite the heavy toll of heat and drought in some areas. The immediate Lethbridge district has had the driest season in 30 years or more.

As this report is being written winter wheat is being harvested with yields running all the way from 10 to 25 bushels to the acre. But most of it is getting a No. 1 grade. Most spring wheat threshed is also grading No. 1 and weighing up well. The coarse grain crop will be fair but less than last year. Sugar beets are a normal crop and hay yields are heavy.

One feature of the survey that should be noted is the large amount of old wheat still in the farmers' bins. The reason for the 5,000,000 bushels still lying unmarketed in this region is that the bulge in wheat has not been sufficient to coax it out of the hands of the growers.

The ten year average crop of Southern Alberta is 16 bushels to the acre. Thus this year's average is considerably below normal yet conditions are encouraging and could be far worse. Machinery firms report a surprisingly good demand for harvesting equipment and trucks.

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News of Canadian Mining Investments

The Week in Mining

Noranda Earnings

UNLESS there is a sharp drop in the price of copper during the next four months earnings of Noranda Mines in the current year should exceed the record year of 1934 when net profit was equivalent to $2.19 per share.

While net profit in the six months ended June 30 last was lower than in the corresponding period of 1934 earnings for the whole year should be higher if operations continue at the present level and the price of copper remains stable or shows improvement. Net profit for the first six months of the current year was equivalent to $1.14 per share as compared with $1.42 in the first half of 1934.

This decline in earnings in face of an increase of 31 per cent in copper production was due in part to increased taxes and operating costs, but largely to the lower price prevailing for copper. Quarterly earnings statements of Noranda during the past year and a half have clearly demonstrated the dominating rôle which copper plays in the company's earning position. During 1934 earnings declined from 73 cents per share in the first quarter to 37 cents per share in the last quarter as a result of the decline in the price of copper. With improvement in copper prices early in the year earnings trend did a somersault and as a result profits rose to 56 cents per share in the first quarter and to 58 cents per share in the second quarter.

* * *

The Teck-Hughes Picture

HEAVY selling of Teck-Hughes stock, which reached its peak on Monday, August 19, when sales were set at 10,000, followed publication of an article in last week's Financial Post, in which it was stated that the No. 7 mill unit, with a normal capacity of 150 tons, was being made ready for shipment to Lamaque.

To those familiar with the situation at Teck, this information should have occasioned little surprise or chagrin. The Post has maintained for some time that the chief investment interest in this veteran Kirkland Lake producer now centred around its holdings in Lamaque, new Quebec producer, in which Teck-Hughes owns something like a 70 per cent interest. The president of Teck-Hughes at the last annual meeting of the company frankly stated that under present development, only two years supply for the mill could be counted on. The progress report issued in July substantiates this view. With this background, what should be more natural than that the equipment at Teck should gradually be shipped to the promising young subsidiary?

In view of the fact that Lamaque stock is being traded on the unlisted market at about $1.20 per share, many investors have preferred to obtain their interest in this mine direct, and not through the book interest of either Teck-Hughes or Reid Authier, which owns 800,000 shares of Lamaque.

* * *

Report Confirmed

FURTHER contacts with sources close to the company at Kirkland Lake confirm the report published last week in this paper. Since the 150-ton unit has not for some time been utilized to capacity, the reduction in daily rate would amount to about 50 to 75 tons per day. While the rumors which were running wild about this company during the past two or three days had it that the daily rate would be reduced to 750 tons, this figure was not mentioned in this paper, and appears to be ill founded, since a reduction in daily capacity of even 80 tons would still leave the mill at Kirkland Lake treating at least 950 tons per day. Those unfamiliar with the mill practice at Teck gave some credence to the counter-report that "only a grinding unit" was being shipped to Lamaque. With the method of milling such as used at Teck, namely straight cyanide process, the grinding units such as tube and ball mills are the main pieces of machinery.

As usually happens, the market appears to have over-emphasized the situation at Teck during the past two or three days. A gradual decrease in tonnage at the Kirkland Lake property would appear to be inevitable. With a total ore reserve as at June 30 of only 675,550 tons, including blocked and broken ore, it is obvious that unless the intention of the management is to "wash up" the property within two years, some reduction from the 1,000 ton daily milling rate was necessitated.

It is interesting to note that at $4, the approximate market price of this stock prior to the recent selling wave, the capitalization of this property amounted to $20 millions, a pretty healthy valuation.

* * *

Index of Mining Stocks

BOTH gold and base metals groups moved lower during the past week ended August 15. Accordingly the index number of total mining stocks was 115.9 for the week, as compared with 116.6 for the preceding week. For the same week in 1934 this index was 141.7.

Nineteen gold stocks showed a fractional loss of 0.7 points, having moved downward from 107.8 for the week of August 8 to 107.1 for the following week. This index was 137.5 for the corresponding week last year.

Slight losses in the base metals stocks caused the index to drop from 154.3 for the week of August 8 to 153.4 for the week ending August 15. This number compared with 164.0 for the week of August 16, 1934.

MYSTERY SHROUDS NEW ACTIVITIES IN TURNER FIELD

Observers Feel Entrance of Second Big Company Imminent

From Our Own Correspondent

CALGARY.—Recent unusual developments in the Alberta oil industry have given local oil operators plenty to think about. Rumors circulated on and off for the last five years in the Calgary district that the Dutch Shell or some other large oil concern is planning to invade the Alberta oil field seem at last to have been given some foundation.

A. G. Spooner, president of Spooner Oils, and official of the Bell Refinery, announced that the refinery had been sold to "an individual." Who the individual was he declined to state while he declared he did not know the name of the company he was representing.

On the same day this announcement was made, the Coulson Construction Co. of Calgary, acting for an unnamed principal, made application to the city building department for permission to construct a number of 12,500 gallon storage tanks, a warehouse, loading platform, and other buildings. The construction company declined to reveal the name of the oil company interested.

It was first reported that the Texas Oil Co. of Canada was planning extensive alterations to its present holdings in the city but C. A. Meltabarger, Calgary manager, immediately denied his firm was interested. Denials were given in turn by officials of Imperial Oil, British American Oil and Standard Oil of B. C. officials.

B. A. Oil Active

Entry of one Dominion-wide oil company into the Alberta field is assured, however. The British American Oil Co. has entered into a contract with the Highwood-Sarcee company whereby it will take an interest in the drilling of Highwood No. 2, to be located near the Union-Freehold well in the extreme south end of Turner Valley and will purchase tail gas from the present Highwood-Sarcee well (the largest producer in Turner Valley for processing. This will necessitate the building of a new absorption plant in Turner Valley in addition to the two operated by the Royalite company, Imperial subsidiary, and the Oil and Gas Products, Ltd., an independent concern. British-American has also contracted to purchase tail gas from the Highwood No. 2 well should it strike a wet gas flow.

British-American is a large purchaser of crude oil from Montana obtained in fields close to the international border and this entry into Turner Valley may be the beginning of a real search for oil in the province according to Calgary oil men.

See Standard Interested

Despite the emphatic denial that Standard Oil of B. C. does not intend to enter the Alberta field, Calgary oil men are inclined to believe that such an entry will be made in the future. It is pointed out that Standard Oil of B.C., a subsidiary of Standard Oil of California, has entered into competition with Imperial Oil in British Columbia in spite of the fact that Imperial Oil is generally considered to be controlled by Standard Oil interests. Standard Oil of B.C. is building a refinery at Vancouver.

Reported presence in Calgary a few weeks ago of representatives of the Dutch Shell company has inclined some operators to believe that this company is behind the recent mysterious activities in Alberta.

The Imperial Oil Co. which recently acquired the Regal gasoline service stations in Calgary and Edmonton, has now acquired the Regal refinery in Calgary and the Regal pipe line connecting the city to Turner Valley. The company is dismantling the refinery.

British Dominion Strikes

Three strikes of gas have been reported at the British Dominion well now being drilled in the limestone in south Turner Valley. Renfrew Royalty well, at last report, was drilling below 5,600 ft. in the upper Dalhousie formation after bailing about 2,100 ft. of crude oil which accumulated in the hole while casing was being run. At Union-Freehold where a long and tedious fishing job has been in progress for lost drill rods in the limestone, the die collar at the top of the rods has been extracted and bits of metal are being washed out prior to resuming fishing. These three wells are the closest to production in Turner Valley at the present time.

Outside Turner Valley, one of the most interesting wells is the Pekisko test of a structure adjoining the Prince of Wales' ranch near High River. The bit is down 3,514 ft. and progress is being made in a soft formation. Some gas has been encountered.

Bongard & Co. Offer Pioneer Prospectors Stock

Bongard & Co., Toronto stock brokers and bond dealers, announce that they have acquired a block of stock in Pioneer Prospectors Consolidated Mines Ltd. which are being offered the public at 15 cents per share.

Pioneer Prospectors Consolidated Mines, which succeeded Pioneer Prospectors Assoc. Ltd., holds 617,500 shares of Silverado Gowganda Mines Ltd. in addition to adjoining properties, and properties in Frontenac County. Development work is proceeding at the company's properties as well as on the Silverado claims, officials of the company state in a progress report to shareholders. On Pioneer Prospectors property, stripping, test pitting, trenching, and other surface work has been going on for some months, and it is believed that the vein system located on the Silverado property has been shown to extend across the two adjoining Pioneer groups.

On the Silverado claims, underground development between the 75 and 175 ft. levels is reported as encouraging, and a large amount of ore has been indicated between these two levels, it is stated.

Metals Try Comeback

European Sabre Rattling Plus Dash of Recovery Stir New Life in Base Metal Stocks—Canada's Position.

Canada's base metal industry, after sitting in the sidelines for long years, is evincing unmistakable signs of climbing over the ropes and back into the ring.

This is no sudden move. With due lapses and relapses, the base metal picture has gradually, almost imperceptibly, been brightening for some months, with better prices being recorded for copper, zinc and lead in the world markets. What has made this restlessness so apparent in recent weeks has been, of course, the sabre rattling from across the seas, which has produced a reaction in the base metal market similar to that produced in a veteran boxer on hearing the thud of leather on leather.

But even before the Italo-Ethiopian dispute reached eight column line proportions the base metal market, led by copper, was evincing signs of a comeback. It was believed that this was due to peace time industrial recovery, with a consequent heavier demand for base metals, and capital goods. Whether or not this recovery was based on such a healthy trend, or whether, as now appears at least possible, the demand for base metals had its origin in the long-fostered ambitions of European dictators, is not known.

World Stocks Down

The basic fact remains, however, that the so-called statistical positions of copper, lead and zinc have improved of recent months. That is, world surpluses of these metals, piled up to discouraging proportions during depression years, have rapidly dwindled.

On this fact plus the possibility of better markets for base metals is based the upward tendency on the stock market in companies, all or part of whose production is in some one of these metals.

It is difficult, if not impossible to obtain authoritative up-to-the-minute figures on world stocks, so slow and laborious are the workings of the various governmental statistical bureaus. But, as reported in the last issue of The Financial Post, figures for the first four months of this year show definitely that supplies of zinc would at the current rate of consumption supply only about one and a half months' needs, a supply generally conceded to be no more than a necessary working tonnage. Supplies of lead throughout the world are only one month ahead of consumption. Both these figures are in cheering contrast to the situation a year ago, although even at that time it was evident that world stocks were being whittled.

Hated Duties to go?

By no means an insignificant factor in this brightening lead and zinc picture is the fact that powerful protest has been launched against the ad valorem duties on these metals entering the British market. It is claimed that much of the benefit which might have accrued to Canadian producers from the recovery phase in the United Kingdom has been offset by the duties resulting from the Ottawa agreements. London financial writers are now predicting that before many days, these hated duties will be altered, and that United Kingdom consumers will no longer have to pay more for "colonial" lead than for foreign lead. It is predicted in well informed circles that a flat rate of 7s. 6d. a ton for lead and of 6d. for zinc will replace and greatly reduce existing duties.

Good Grounds for Increase

Accepting the fact that the statistical position of base metals is markedly improved, and assuming that world markets, through war or peace-time developments do open up, Canadian base metal products, whose variety is legion, find themselves in an enviable position, and there appear to be good grounds for the rise in base metal stocks, a rise which has been the main feature of the market for some days.

It is well known that almost every major ore body in Canada contains two or more metals. This fact gives Canadian producers a tremendous advantage over other world producers, inasmuch as a balance of production can be maintained, and stress laid on one metal at times when the price prevailing for another would not make profitable operation possible. Much of Canada's base metals are associated with gold, which accounts for the paradoxical fact that during 1934, when base metal prices were at new lows, Canada's base metal production set an all time high. That this continued production in the face of lack of consumption serves to complicate the general world situation, is a deplorable fact, but one that need not directly concern the prospective purchaser of base metal stocks.

Efficiency Apparent

This diversity of ore is one reason why most of Canada's large base metal companies have been able to show healthy profits during a period of low prices. Another reason is the efficiency of the management enjoyed by these big operations. Costs have been whittled, and markets developed to such a degree that when base metal prices return to normalcy, Canadian producers are bound to be in a better position than they have ever been before.

When one thinks of increased markets for metal as the result of war, one naturally thinks of nickel. This is only one phase of the situation, however, inasmuch as nickel is only a small part of the general demand for metals at times of war. The mistaken idea that nickel is almost exclusively a war commodity probably is the result of the practical monopoly which one company holds over the nickel production of the world. The nickel deposits of Canada, concentrated as far as production is concerned in the Sudbury basin, have been discussed many times on these pages, and accordingly will not be dealt with at length now. It is evident that a large scale war will create an added demand for nickel, but it is equally true that, war or no war, Canada's nickel now plays such a leading rôle in peace time industry that the outlook, either way, is encouraging.

Lead Reserves High

What of lead? In 1934, Canada ranked fourth among lead producing countries of the world, being exceeded, in order of output, by United States, Australia, and Mexico. In 1934, Canada produced well over 346 million pounds of lead, of which over 344 million pounds came from British Columbia. Indications are that this output will show material increase during 1935.

In the production of lead, Consolidated Mining & Smelting Co. has a virtual monopoly, being responsible for well over 90 per cent of the total Canadian output. In addition to this leadership in zinc and lead, this company is also Canada's greatest silver producer. For the first six months of 1935, production from this company has been as follows:

Smelters Production

	1935	1934
Lead, tons	80,772	74,271
Zinc, tons	57,287	50,888
Copper, tons	319	589
Silver, ounces	3,803,119	3,562,840
Gold, ounces	28,231	17,642

Sullivan's Ore

That this company has, in the years 1933 and 1934, despite rock bottom lead prices earned $1.62 and $3.39 per share respectively, is due largely to the silver and gold production, a perfect example of the boon which Canada's versatile rocks are to such companies. The ore reserves at the Sullivan Mine have not been announced, but are known to be enormous. Diamond drilling has indicated that commercial ore extends to a depth of 1,000 ft. below the present workings, which are at 3,900-ft. level. In 1934 developments above the 3,900-ft. level have increased the ore reserves by 2,341,100 tons. So it is apparent that this company, exclusive of its many developing subsidiaries in various parts of Canada, is in an excellent position to meet increased world demand for either lead or zinc.

It is known that the company has no material surplus, having experienced little difficulty in getting rid of its base metal production in past years.

Thus it will be seen that Consolidated Mining & Smelting Co. is, exclusive of its many developing subsidiaries, in an excellent position to meet any increased world demand for its products.

Base Metals Mining Corp. is a potentially great producer of lead, although operations have been in the past few years hampered by low prices. This is a younger company without the advantages of a huge working capital position. However, milling operations started again in June of this year, and while operations for the first six months of 1935 resulted in an estimated loss before depreciation, depletion, and taxes of about $2,398, the fact that the mill operated only part of the period lends support to those who feel that in the last half of 1935, operations will be on a profitable basis.

No estimate has been published of ore reserves at this B. C. property, but it is known that the figure issued in August, 1933, showing total 434,600 tons has been materially increased by continued development.

Needs Only Normal Prices

Lead occurs as a by-product in many another Canadian mine, and is known to exist in undeveloped deposits in Ontario, British Columbia, and in the Great Slave Lake region.

It needs only "normal" prices and a ready market to raise the humble metal, lead, to the status of one of Canada's great minerals. No worthwhile substitute has been found for this metal, and in 1934 it was found that tellurium produces a marked change in the physical structure of lead, making it a substance of greater resistance, to corrosion by acids, greater tensile strength, and greater resistance to fatigue failure resulting from vibration or some repeated stresses.

Zinc's Outlook

Peace or war, it appears that the outlook for zinc is also healthier than it has been for some time. Here again, Canadian producers are blessed by the versatile nature of large ore bodies. In 1934 Canada stood third among world producers, being responsible for an output of about 135,000 short tons. This figure was bettered only by United States, (366,933 tons) and Belgium, (192,885 tons.)

Here again The Consolidated Mining & Smelting Co. is prominent, producing about 222 million pounds of zinc, or nearly 79 per cent of Canada's total output. What has been said about the ore reserves of this company in regard to lead, holds, of course, equally true of zinc.

The other big zinc producer in Canada is the Hudson Mining & Smelting Co., whose large scale operations at the Flin Flon, in northern Manitoba, are a tangible example of what can be done in a period of low prices by efficient management. Here again, efficient management was aided by silver and gold content of ore.

While Canada has only two zinc producers of any account at the present time, zinc is found in association with other minerals over a widespread area.

Copper from Four Sources

So much has been written of copper, that this metal can be given only brief mention here, although Canada is one of the world's leading copper producers. Most of Canada's production comes from four mines, Noranda, International Nickel, Hudson Bay Mining & Smelting, and Howe Sound Co. All of these companies are in a strong financial position, and have ore reserves of considerable extent. While the market for the output of these companies has naturally been affected by surpluses, it is a source of satisfaction to know that none of them have themselves any surplus stock to speak of. The decks are clear for action, and Canada, perhaps more than any other country in the world, stands to benefit rapidly from any acceleration in demand. It must be remembered, however, that the recently signed copper pact, aimed at curbing production until world stocks had been depleted, and to which Canada was not an official signatory, would hardly stand in the face of any large scale international war.

Summarizing, the position of Canada's base metal producers is amazingly sound when one considers the price levels during the past few years. There are, in addition, many former producers and properties formerly under development now idle because of lack of demand. If world developments create such a demand, both present producers and potential producers are in a position to benefit.

With this background, and with the atmosphere growing more and more electrified in Europe and Africa, the present upward tendency of the base metal market would appear to be reasonable, a fact which does not always hold true of stock market trends.

McKENZIE RED LAKE LENGTHENS NEW VEIN

Averages Over 100-ft. Increase Values to $14 Per Ton

Drifting on the 350 ft. level at the property of McKenzie Red Lake Gold Mines, in the Red Lake district of Ontario has revealed a length of more than 100 ft. on the new vein discovered early in the month, The Financial Post is informed.

Values along this stretch are officially reported to average .4 ounce or $14 per ton over a width of 3½ ft. This grade is somewhat higher than the average at the time of the last annual report, when values equalled $10 per ton on the 70 ft. length then established. The new vein branches off the east west vein, which in turn strikes off the main north-south shearing at right angles. The face of the drift is reported still in ore.

Antler Gold Planning Big Placer Operation

From Our Own Correspondent

VANCOUVER.—One of the largest placer operations in the Cariboo and one whose development is being closely watched is that of the Antler Gold Mines Co., on lower Antler Creek, financed by ten Calgary oil men. The company controls 13 miles of ground along the creek, with a paystreak 5 million yards in extent, said to average $1 a yard.

The benches are to be worked by a boom dragline, using a yard and three quarter bucket. The pay dirt will be fed into a hopper mounted on a flat car and carried by conveyor belt to a rotary grizzly mounted on a second flat car. From there the gravel passes through a series of screens and sluice box. A 30-ft. conveyor belt attached to a boom at the rear of the second car will dispose of the tailings. The two flats run on railroad steel.

The dragline, mounted on a Diesel-powered caterpillar, is at present building its own four miles of road into the property from the Bear Lake Road, 12 miles from Barkerville. The dragline will start digging pay dirt about September 10. W. S. Herron is president, P. W. Herron, superintendent.

Lloydminster Gas Cos. Busy Drilling Wells

From Our Own Correspondent

REGINA.—The Colony Oil and Gas Co., Lloydminster which recently brought in a large gas production well has already started work on a second well and will use gas from the first well for drilling operations on the second. Lloydminster Gas, which produced the first well in the field, now supplying the town of Lloydminster with natural gas, is reported to be planning a second well also.

The Colony No. 1 well required 27 drilling days from spudding in to tapping the gas source. Actual time of work was 40 days. The new well is not expected to cause any more trouble than the first, so by mid-September it is expected the second well will be producing.

Both Lloydminster companies are endeavoring to line up franchises in the vicinity and as far southeast as Saskatoon.

Engineer Recommends Shaft For Edgecreek

James G. Farquharson, consulting engineer of Edgecreek Consolidated Gold Syndicate Ltd., in addressing shareholders at the annual meeting recommended that a shaft be sunk to a depth of 250 ft. and two levels opened up at 125 ft. and 250 ft. respectively. The proposed underground work would involve an expenditure of $50,000, he estimated.

W. T. Stewart, president, in reviewing development work to date, stated that 25 drill holes have been put down for a total length of 4,131 ft. No blanks were drawn. Eight parallel veins were cut, ranging in width from three to 25 ft. Continuity of the vein system has been proven by the sinking of a number of test pits.

Shareholders approved a by-law increasing the number of directors from five to seven. The previous board was re-elected and Col. W. M. O. Lochead, of Kitchener, and J. J. Brookes added to the board.

Hudson Patricia Finds New Vein on 3rd Level

A new north-south vein on the third level has been encountered by Hudson-Patricia Gold Mines, The Financial Post is informed. The discovery, made in the west drift, shows about 30 inches of vein matter on which detailed assays will be available in a few days. Diamond drilling is proceeding from the 300-ft. level to intersect the B ore shoot on the 450-ft. horizon. Diamond drilling is also continuing from the surface and results from this work are expected within the next few weeks.

Granby Quashes Sherritt Rumor

The rumor which, judging by enquiries received by The Financial Post, received wide circulation across Canada, to the effect that Granby Consolidated Mining & Smelting Co. would operate the idle property of Sherritt-Gordon Mines, in northern Manitoba, is absolutely without foundation, The Post is informed by Charles Bocking, president of Granby.

The rumor itself has some news value, inasmuch as it apparently played a large part in boosting the stock of Granby and Sherritt-Gordon to new highs for the year during the past week. Where the rumor originated from is, of course, unknown and, like Topsy, "just growed."

Improvement in copper prices undoubtedly played some part in lifting the price of these two stocks on the mining exchanges.

WORK RESUMING AT MANY POINTS IN W. SHININGTREE

Confidence in Old Area Still Remains Unshaken

From Our Own Correspondent

SUDBURY.—In the varying fortunes of the West Shiningtree mineral area, resumption of operations has recently taken place at several of the properties at which work had been suspended, mainly because of shortage of finances. Faith in the future of the area is still strong, and while success has been elusive in the past, and in many cases really conscientious mining efforts were notably absent, there are those who are confident that, given a good chance, the field should deliver two or three fair gold producers.

Recently, Churchill Mining and Milling Co. reported sufficient finances in hand to permit resuming operations, after having been closed down since the latter part of 1934. In the new programme, it is stated, the intention is to crosscut south from the bottom of the shaft at the 100-ft. level to intersect No. 2 vein, which showed widths of from two to five ft. of exceptionally high-grade. There is a small mill on the property of 15 tons daily capacity, which will be of assistance in obtaining ore tests as the work proceeds.

Neville Canadian

Neville Canadian Gold Mines property with a fully equipped camp, a shaft sunk to 300 ft., and three levels established, is another project to be reopened. It is understood the Bramor Mining and Milling Co., after an examination, has made an agreement to take over management of the property and will provide funds for erection of a small mill. The contract entered into, it is stated, would run for a period of three years.

While the management is saying little about the operations so far, it is reported encouragement is being met in development of the former Gilbert Bennett property, by Shiningtree Gold Mines, of which Lionel Brooke, of Sudbury, is president. The shaft, put down by hand, has reached a depth of over 50 ft., and operations have intersected some high values. The property consists of 126 acres in MacMurchy township, and in early work five veins were disclosed on surface, with some spectacularly rich ore.

The Bilmac Gold Mines, closed recently, it is said in Sudbury, will be opened up again, after some necessary financing has been arranged. Work done previously was reported of an encouraging nature. Much of the Bilmac stock is held in Sudbury.

At the Mines

Algold Gold Mines—Purchase of the balance of 55,000 shares at 25c due June 1, together with the purchase of 100,000 shares at 30c due August 1, under the underwriting agreement dated February 25, 1935, has been extended until August 31, The Toronto Stock Exchange is officially informed.

* * *

Algoma Mining and Finance Corp.—Report to the Toronto Stock Exchange that the option dated February 25, 1935 is in default, only 50,000 shares having been taken up.

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Astoria Rouyn Mines Ltd.—Informs the Toronto Stock Exchange that the option dated June 8, 1935, is in default on August 7 installment, no shares having been taken up. An extension has been granted pending completion of negotiations.

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Austin Rouyn Gold Mines—The company reports that an enlarged underground development programme is to be commenced in the immediate future. Plans include deepening the shaft to 135 ft. and the undertaking of an extensive lateral work to develop known orebodies. The number of men at work on the property is to be increased to over 50 men.

* * *

Canadian Pandora Mines — Further irregularities in the recent election of directors of the company were charged at the adjourned meeting on Saturday, August 17, by W. M. C. Inch, Haileybury solicitor. Mr. Inch claimed that supporters seeking re-election of the old board had used a proxy of 92,812 shares belonging to the estate of the late Joseph Lewis although no power of attorney has been given. The matter has been laid before the Ontario Securities Commission. The meeting was again adjourned until August 30.

* * *

Consolidated Chibougamau Goldfields Ltd.—Announces that deposit certificates, representing shares held in pool, can now be transferred at the offices of Prudential Trust Co., transfer agents, in Montreal.

* * *

East Geduld Mines—The East Rand producer in which Dome Mines has a substantial interest, reports a working revenue of £647,001 in the three months ended June 30. This represents an increase of £48,524 from the previous quarter. Tonnage was also higher at 287,000 tons. The average yield per ton declined 2s, 2d to 45s 1d. Profit for the period was £384,075, an increase of £18,480.

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Eldorado Gold Mines—Is now handling 55 tons of ore daily at its concentrator in the Great Bear Lake area, Charles Labine, President, reports. Costs are running at about $14.90 per ton at this rate. Actual production from the concentrator is between $5,000 and $7,500 daily. The concentrate is estimated to carry about 2,000 ounces of silver per ton with pitchblende value additional. At the present mill rate, ore being treated has an average value of about $100 per ton.

* * *

Harwood Lake Mines — Officially reports that operations are being started on the property in the West River district, Sudbury mining division at once. First work will be dewatering the old shaft, further surface work and continuing shaft to depth.

* * *

International Mining Corp.—Has declared a dividend of 15c a share on the outstanding common stock, payable September 20 to stockholders of record at the close of business, August 31, 1935. This is the fourth payment of 15 cents that has been made out of earnings since Dec. 20, 1934.

* * *

Manitoba Basin Mining Co.—Has acquired two groups of claims 15 in all, some three miles west of Consolidated Mining & Smelting property in the new Lake Athabaska gold area, E. R. Read, president, states.

* * *

Peterson Cobalt Mines—Has granted an extension of time until September 4 on the instalment due July 4 and August 4 under the option agreement dated April 4, 1935, the company informs the Toronto Stock Exchange.

Prairie Gas and Oil Co.—Report that production revenue from No. 3 well for the past three months amounted to $13,842 from the sale of oil alone and after paying all expenses for royalties, charters and labor, have distributed $9,105.

* * *

Premier Gold Mining Co.—Has called a special general meeting of shareholders in Vancouver Sept. 17 to consider Premier's side of the deal with B. C. Silver, British Canadian Silver Corp., Sebakwe and District Mines, and Selukwe Gold Mining Co., details of which have been fully dealt with in previous issues of The Financial Post.

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Proprietory Mines Ltd.—Is distributing its stock in Omega Gold Mines Ltd. to its shareholders on a share for share basis. The amount of this stock, under the reorganization of Proprietory and Canadian Reserve, is 1 million shares.

* * *

Sullivan Consolidated Mines—Northwestern Quebec producer, reports that under the agreement dated December 28, 1934, all details have been completed in full, the balance of 100,000 shares having been taken up at 30c per share August 10.

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Silver Peg Breaks

Frantic Treasury Purchases Alone Stave Off Further Decline—May Resume Trading in U.S.

Silver once again occupies a large share of the market spotlight as a result of the recent sudden break in silver prices.

Under the pressure of large offerings in the London market the peg which the United States treasury has maintained in the silver market for the past month was broken and the price dropped to 65 3/8 cents an ounce, a new low since April 10.

Only large purchases by the United States treasury department prevented a further decline. In one day alone the treasury purchased 25,500,000 ounces in order to hold prices steady. This is the largest purchase made for any one day since the silver purchase programme commenced.

Bull Positions Liquidated

The break in the price is attributed to the liquidation of speculative accounts in Great Britain and the Far East. The amount of silver offered indicates outright liquidation of bull positions. Disappointment over the failure of the United States treasury to push its silver purchase programme in a more aggressive manner was responsible for this development.

Of special significance is the disappearance of the premium on forward silver in London. Since the nationalization of silver in United States speculative selling of spot silver has usually been accompanied by speculative buying of futures in the belief that the United States programme would whirl the price up to at least $1.29 an ounce. Hence, there generally has been a substantial premium for forward silver in London as compared with the spot quotation. With the liquidation of bull positions this premium disappeared.

Propose Tax Repeal

Coincident with the decline in silver prices a proposal was laid before the United States Senate calling for the re-establishment of free silver trading in the United States. Approval was given in the Senate of the McCarran silver rider to the new revenue bill which, if finally adopted, will remove the basic provisions of the Silver Purchase Act relating to nationalization, taxation and silver trading. The repeal of the 50 per cent tax on speculative profits in silver trading would alone encourage wider market activity in the metal.

While the rider was permitted to pass the Senate there is little possibility of it being put into effect. The Administration is known to be opposed to the proposal. It will no doubt be killed in committee.

The return to free silver trading in the United States would have far-reaching effects, and would, no doubt, mean a curtailment of activities on the Canadian Commodity Exchange. The latter came into being as a direct result of the nationalization of silver in the country to the south of us and the ban put on trading in the white metal there. If the ban was lifted the New York Commodity Exchange would resume trading in the metal and a large amount of the business now being transacted at Montreal would no doubt return to New York.

Canadian Production Down

As was predicted by The Financial Post, the rise in the price of silver has had no immediate effect on the volume of Canada's production of the white metal. While output in 1934 increased by 1.2 million ounces as compared with 1933 this cannot be attributed to the higher price of silver. In this country the metal is produced largely as a by-product of lead, zinc and gold. Larger production of these metals resulted in an increase in the amount of silver turned out.

During the current year output has actually shown a decline as compared with last year. During the first five months production totalled 6,168,025 ounces as compared with 6,547,966 ounces in the corresponding period of 1934. In the first five months of 1933 output amounted to 6,626,411 ounces.

Inactive silver mining companies in Canada are for the most part refraining from making any decision as to the reopening of their properties until such time as the price of silver has been stabilized. Several companies have informed shareholders that no consideration will be given to the matter until the management is reasonably certain that a stable price level has been reached. In refusing to make the large expenditure required to reopen a property until the price of silver has been stabilized the managements of these companies are acting in the interests of their shareholders.

The recent break in the price of silver demonstrates the uncertainty of the present silver market. The price level is an artificial one, and is entirely dependent upon the United States silver purchase programme. If the programme is speeded up then the price of silver will no doubt attain to higher levels but if it should be discontinued or slowed up there would be a sharp break in the price.

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Mining Reports

Paymaster Consolidated

Operations of Paymaster Consolidated Mines in the year ended June 30 last resulted in a deficit of $43,420 although no provision was made for depreciation on buildings, plant and equipment.

In this connection, however, it is pointed out by Archie S. Fuller, president, that with the exception of an expenditure of $18,347 on No. 5 shaft, which has been deferred to future operations, operating costs including all development work for the entire 12 months period were written off although milling and production period covers only a little more than nine months operations.

Mr. Fuller also states that operations became profitable in February of this year and have been improving. In addition, mining developments now under way are expected to increase production further at an early date.

In view of the fact that regular progress reports have been issued every three months during the past year directors feel that it is not necessary to give further operating details at this time. No estimate is made of ore reserves, Mr. Fuller says.

During the nine months that the mill was operating bullion to the value of $328,755 was produced. Production costs for the year totalled $237,463 while milling costs amounted to $80,252. Ore transportation cost $11,176.

Improvement is shown in the company's working capital position. Current assets as at June 30 last totalled $144,891 and current liabilities $49,551, leaving a working capital of $95,340. As at June 30, 1934, current assets exceeded current liabilities by $48,795.

Statement of Operations Year Ended June 30, 1935

	$
Bullion production	328,755
Add: Other income	7,197
Total income	335,952
Less production expenses:	
Diamond drilling	5,137
Drifting & crosscutting	39,516
Slashing	3,039
Mining	187,164
Sorting & skipping	2,607
	98,489
Less: Ore transportation	11,176
Less milling exps.:	
Preparation for milling	10,998
Crushing & conveying	6,658
Concentration & extraction	62,596
	7,061
Less general charges:	
Assaying & sampling	8,352
Taxes & insurance	9,638
Repairs, road & bldgs.	5,033
Marketing charges	4,375
Clearing surface	909
General camp exps.	1,234
Mine management	3,593
Mine office exps.	4,523
Misc. general exps.	4,213
Corp. & transfer exps.	1,330
Directors' fees	150
Head office & gen. exps.	7,130
Deficit carried forward	43,420

Working Capital As at June 30

	1935 $	1934 $
Current assets	144,891	56,392
Current liabilities	49,551	7,597
Working capital	95,340	48,795

Anaconda Oil

In the fiscal period ended May 31 last Anaconda Oil Co. reduced its liabilities by $11,150 the annual report of the company shows. Liability under the royalty agreement with Continental Supply Co. was reduced from $14,014 to $7,209 and the deficit in working capital account was reduced from $37,814 to $33,468.

Net profit on the year's operations amounted to $2,277 after provision for depreciation and depletion. Revenue totalled $11,156.

A. J. Scott, managing director, in presenting the report, draws attention to the fact that since the 1934 annual report was presented, Spooner-Anaconda No. 5 well was brought into production in February, 1935. Up to May 31, 1935, the company's 10 per cent clear net royalty on the well had yielded $1,698, despite the reduction of 95 cents a barrel in the field price for naphtha.

The company's holdings, according to the report, total 4,648 acres of petroleum and natural gas leases. Six wells are being drilled by other companies in areas in which Anaconda owns leases and the outcome of these operations will determine the value of a substantial portion of Anaconda's holdings, Mr. Scott states. Directors of the company, it is stated, are hopeful of getting other wells drilled on some of the company's leases, on the basis of a clear net royalty to the company.

Revenue and Expenditure Account Year Ended May 31, 1935

	$
Revenue:	
Royalties Anaconda No. 1	2,342
Royalties Anaconda No. 2	7,116
Royalties Anaconda-Spooner	1,698
Total revenue	11,156
Less expenditure:	2,505
Office salaries	903
Legal fees	621
Trustees' & registration fees	444
Office expenses	570
Taxes	195
Audit fees	242
Printing and stationery	165
Directors' fees	435
Misc. expenses	
	5,078
Net earnings	[illegible]
Less: Depreciation	2,789
Depletion	
Net profit carried forward	2,277

10 per cent on office equipment.
25 per cent of gross revenue

Working Capital As at May 31

	1935 $	1934 $
Current assets	1,704	[illegible]
Current liabilities	35,172	41,042
Deficit	33,468	37,814

Noranda Mines

Earnings of Noranda Mines in the three months ended June 30 were two cents per share higher than in the first quarter, amounting to 58 cents per share.

Profits in the first half of the current year were lower, however, than in the first six months of 1934, totalling $1.14 per share as compared with $1.42 in the corresponding period of 1934.

While revenue from production for the six month period was slightly lower than in the first half of 1934 the reduction in profits was largely due to increased operating costs and taxes. Recovery for the period amounted to $7,020,218, before deduction of bullion tax, as compared with $7,070,808 in the first half of last year. Operating costs jumped from $3,109,566 to $3,525,782, an increase of 13 per cent. At the same time taxes showed an increase of 37 per cent. In the first half of the current year provision for taxes, including bullion tax, amounted to $700,883 as against $511,500 in the same period of 1934.

While profits in the six month period were lower than last year the company's dividend of $1 per share, which was paid June 29, was earned by a comfortable margin. Net profit totalled $2,551,015 as against dividend requirements of $2,239,772, leaving the sum of $311,243 to be carried forward to surplus.

While revenue was lower than in the same period of 1934 volume of production was up by nine million pounds. Copper anodes produced in the first half of 1935 totalled 39,833,528 pounds as compared with 30,367,659 in the corresponding period of 1934. The reduction in revenue despite increased production reflects lower copper prices obtaining during the first four months of the year.

Given below are the earning figures for the second quarter of the current year and for the first half of 1935 and 1934 respectively:

Estimated Operating Statement Six Months Ended June 30

	1935 $	1934 $
Total recov.	7,020,218	7,070,808
Less: Min., admin., & gen. exp.	3,525,783	3,109,566
Res. for taxes	340,000	511,500
Bullion tax	360,883	......
Net oper. earn.	2,793,553	3,449,742
Add: Misc. inc.	177,463	268,588
Total net inc.	2,971,016	3,718,330
Less: Est. deprec.	420,000	535,201
Est. net profit	2,551,016	3,183,129
Earns. per Share	$1.14	$1.42
Production:		
Cop. anodes, lb.	18,845,313	39,833,528

Buffalo-Ankerite

Buffalo Ankerite Gold Mines reports improvement in earnings during the first half of the current year, net profit for the period, before depreciation and taxes, amounting to $141,877. This is equivalent to 24 cents per share as compared with 22 cents per share in the first six months of 1934.

Recovery for the period from 71,564 tons milled amounted to $470,542, average recovery per ton being $6.57. Miscellaneous income totalled $2,355.

Mining costs amounted to $167,792, milling costs to $61,416 general expenses to $41,644 and development and exploration to $59,273.

Midwal Oil & Gas

Revenues of Midwal Oil & Gas Co. in the year ended May 31 last, exceeded expenditures by $885, the annual report of the company shows. Revenues totalled $7,910 while ordinary expenses amounted to $2,950 and the commission on sale of stock to $4,074.

Working capital of $4,556 is shown by the balance sheet as at May 31, current assets amounting to $4,946 and current liabilities to $390.

Other assets are as follows: $2,000 investment in 25 units of Delta Mines Syndicate pipe and field equipment valued at $1,996, expenditure on wells of $51,380, oil and gas leases valued at $17,166, and deferred charges of $6,880.

During the past year the company has been active in drilling operations, according to H. Woodhouse, president. In the Middleton-Walsingham field a total of ten wells have been drilled to date, with seven producers, two dry holes, and one abandoned. In the Kentucky field the company has participated in the drilling of eleven wells, six of which are producers. Production in the successful wells, according to Mr. Woodhouse, has exceeded expectations. Revenues are to be used to prove other wells in the field.

Company Formed By Gilmour Gold

Gilmour Gold Mine has been formed to acquire the assets of Gilmour Gold Syndicate and to continue development of the property in Hastings County, south eastern Ontario mining area, A. A. Kenniger, syndicate manager, informs The Financial Post. Each unit of the syndicate will be exchangeable for 200 shares of capital stock of the new company, which has an authorized capitalization of 3,000,000 shares, $1 par value. It is stated that shares will be issued for the units before the end of the current year. Shares issued and issuable to syndicate unit holders, vendors and directors total 2,150,005, leaving 849,995 shares in the treasury.

Officers and directors of the new company are as follows: M. F. Burrows of Burrows, Broadley & Co., Toronto, president; A. A. Kenniger, Toronto, director and sec.-treas.; A. E. Broadley, Toronto; J. M. Morang, Toronto, director. A meeting of unit holders of Gilmour Gold Syndicate is being called for Wednesday, August 23 and a short pooling arrangement is anticipated.

Omega Gold Signs Power

Omega Gold Mines, formed as a subsidiary of Castle-Trethewey Mines to develop the old Crown Reserve property, have completed a contract with the Hydro Electric Power Commission of Ontario for a supply of power. Omega Gold Mines will advance $55,000 against transmission line costs which will be repaid out of power bills. Power will be supplied at 26,400 volts and the mine will pay $32.50 per h.p. The initial power will be from 1,200 to 1,400 h.p.

Preparations for installation of a mill with a 300-ton daily capacity are going ahead at the property where concrete floors are being poured in the mill building.

B.C. Nickel Mines Sets Ore Reserve At 1,250,000 Tons

From Our Own Correspondent

VANCOUVER.—Officials of B. C. Nickel Mines state that the death of David Sloan, who with Col. Victor Spencer and Ben Smith, was one of the chief figures in the syndicate, will not interfere with the company's operations along the lines specified earlier in the year. The budget has already been arranged until the end of the year and the agreement between members of the syndicate remains in full force and effect, becoming an obligation of the Sloan estate.

The latest progress report of B. C. Nickel, dated August 11, announces that a start has been made on several raises to prove the vertical extent of ore bodies already followed in the drifts. To the end of July approximately $1,200,000 had been spent by the syndicate.

Directors state that as soon as there is a minimum of 2,000,000 tons of better than one per cent nickel ore proven to the satisfaction of the engineers, plans will be made for putting the property on a production basis. The latest estimate is 1,250,000 tons of this grade, without making allowance for probable tonnage below the main tunnel level or for several showings not yet proven.

JULY CAR SALES UP 27 PER CENT OVER LAST YEAR

Seasonal Dip from Previous Month—Chevrolet Leads For Month

Automobile sales in eastern Canada resumed their upward trend in July after a lapse of two months. Although showing the customary seasonal dip from the previous month, the decline of 30 per cent was not nearly as great as last summer. July sales at 5,795 cars are 27 per cent above those of the same month a year ago, according to figures compiled by Might Directories for Canadian Automotive Trade. The number of cars sold to the end of July amounted to 47,732, an increase of 11,050 or 30 per cent over the corresponding period of 1934.

Chevrolet Highest For Month

Chevrolet took the lead from Ford in July for the first time this year, but by a very small margin; Ford still holds a wide advantage in the cumulative total. Apart from the leaders, the greatest improvement in sales has been made by Dodge, which is more than 2,700 cars ahead of last year. Other manufacturers to show gains of over 1,000 cars in the cumulative totals were Oldsmobile, Pontiac and Plymouth. Chrysler, Studebaker and Buick were the only leading makes to show losses in July. Buick thus added to its previous unfavorable showing, being currently 800 cars behind sales in the first seven months of 1934.

All provinces are well above last year's figures, although on the month Nova Scotia registered a small decline.

Sales of Leading Makes (In Eastern Canada)

	July 1935	July 1934	7 Months 1935	7 Months 1934
Chevrolet	1,454	1,021	10,299	9,844
Ford	1,434	1,112	13,879	8,652
Dodge	701	477	6,753	4,039
Plymouth	627	529	5,253	4,127
Oldsmobile	503	341	3,529	1,748
Pontiac	363	183	2,951	1,497
Terraplane	157	145	1,345	1,185
Chrysler	132	158	1,315	1,154
Buick	88	246	664	1,463
Studebaker	84	82	754	700
Total sales	5,795	4,558	47,732	36,682

At the Mines

Central Manitoba Mines — The company reports a slight improvement in July output over the June production of $23,500. Production in July was valued at $24,700. Diamond drilling is being carried out on the 250- and 375-ft. levels of the Kitchener claim. Ore is coming largely from the 100-ft. level on the Hope claims. Little success has attended the deep diamond drilling recommended by Dr. Stanley Graham.

* * *

Falconbridge Nickel Mines—The company's quarterly report states that new development on the east ore body and the installation of new equipment connected therewith has progressed rapidly. Sinking of the new No. 5 shaft was suspended at a depth of 1,272 ft. in order to permit installation of a new headframe. Renewed sinking together with the completion of the 1,200 ft. station, with ore-crushing equipment and loading pocket, will be resumed during the present quarter. Lateral drifting is also to be done on this horizon.

* * *

Gillies Lake-Porcupine Gold Mines—The company reports that mill tonnage has been increased to 40 tons per day and that a further increase to 60 tons daily will take place as soon as the installation of new equipment, which is proceeding at the present time, is completed. Bernard N. Hyman, general manager, reports that a profit is now being made on operations.

* * *

Little Long Lac Gold—July output from this company is unofficially reported to have grossed $88,000 compared with a June gross of $86,500. After all expenses and charges in July, profits amounted to $50,000. Joseph Errington is at present on the property.

* * *

Pend Oreille Mines and Metals—Official announcement has been made that the company is installing the first 450-ton unit of a 900-ton mill at its property at Metalline Falls in the State of Washington. The new mill will be near Hidden Falls tunnel and will eliminate the 500-ft. lift in the Josephine Mine. Excavation for foundations of the mill buildings has been completed. Most of the machinery from the old mill will be moved to the new plant and new equipment added.

Perron Gold Mines.—J. P. Norrie, general manager, announces that construction of the new 100-ton mill commenced on August 15. During the month of July the test mill treated 628 tons of ore from the various development faces, producing bullion to the value of $7,175 from ore of .43 oz. grade. Part of the values is still tied up in concentrate and tailings.

* * *

Sigma Gold Mines—The new three-compartment shaft being sunk on the property of this Dome subsidiary has reached a depth of about 130 ft. The Financial Post is informed. The new shaft, to be known as No. 2 shaft, has been connected with the main workings on the first level. It is located a short distance from the No. 1 or prospect shaft.

* * *

Silver Elk Gold Syndicate has been formed to acquire a silver property in Elk Lake district and a gold property in Baden twp., Matachewan area, Ontario. The silver property, formerly known as Beaver Auxiliary, has seen previous development. Two shafts are down 700 ft. and 150 ft. respectively. Surface work and 1,500 ft. of diamond drilling has been done on the gold prospect which adjoins Arbade Gold Mines on the north.

* * *

Young Shannon Gold Mines—At a depth of 10 ft. below the floor of the open cut, channel samples in the shaft are officially reported to have returned assays of $35.70 to the ton across a width of 2½ ft. on the footwall porphyry side and $11.20 across 1½ ft. on the lamprophyre hanging wall. This gives an average of $23.45 across four ft.

Fox Lake Finishes First Drill Hole

From Our Own Correspondent

SUDBURY. — The first diamond drill hole in a programme of 3,000 or 4,000 ft., has been completed by Fox Lake Gold Mines, on its property at West River. The hole was put down to a depth of 450 ft. On completion of the present campaign, which is being prosecuted by Fox Lake with its own drill, decision will be made as to the most suitable location for a shaft.

Recently, it is announced, Fox Lake purchased outright the five patented claims of Sam Cochrane, lying immediately to the west of the Fox Lake holdings. This deal gives the company 16 claims in a solid block.

Current Chatter From Manitoba

From Our Own Correspondent

WINNIPEG. — Flin Flon Gold Mining Syndicate at about 150 ft. in an incline shaft are drifting on the vein both directions. News from the mine says the ore in places is running five ft. wide and with substantial values. Flin Flon Gold Mining Syndicate will likely make some arrangements with Hudson Bay Mining and Smelting Co. to handle its ore at the Flin Flon plant. The road connecting the two is only a little over four miles and can easily be turned into a good truck road. Present plans are for shipping 100 tons a day which it is anticipated would easily finance future developments.

* * *

Probe New Nickel Deposits

At Barrier Lake, north of Flin Flon, a huge nickel, gold, copper prospect is being examined by engineers. A considerable amount of surface work has been done. It is largely owned by Flin Flon people and it is understood that if a favorable report is given there is a deal in the offing. Some assays taken from surface trenches run to a 30 dollar value, but metallurgical problems have also to be taken into account.

* * *

Want Too Much Cash

Moritz Rothenberger, New York financier interested in a number of Manitoba properties, has been in Winnipeg for the past week investigating a number of likely looking properties. Some of his company holdings are in the Rice Lake district and men have been working on these under the supervision of an engineer for several months. Mr. Rothenberger is a firm believer in the future of Manitoba as a mining province but deplores the tendency on the part of syndicates and small groups to ask for large cash payments rather than for work on the property which would indicate its possibilities or non-possibilities.

Falcon Gold Active

The Falcon Lake district where Falcon Gold Mines is operating a double barrelled proposition is getting a good deal of attention. Mine machinery is being shipped in over good roads all the way, the property only being three or four miles off the Trans-Canada highway. Immediate work is being concentrated on what appears to be an accessible and easily mined gold property, while on other claims in the company's groups there are large deposits which if at depth show even low values may easily turn out to be a large industrial smelting proposition.

Cons. Gold Alluvials To Replace Diesels

From Our Own Correspondent

VANCOUVER.—Management of Consolidated Gold Alluvials has cabled Manchester, England, for duplicates of the two 250 horsepower Crossley Diesels which were destroyed by fire recently and expects to have them in operation within three months. The mine buildings that also suffered in the fire will also be restored at once, and as temporary power is being made available with a 137 horsepower Crossley rushed to Wingdam from the coast it is not expected that operations will be interrupted for long. Work at the Sanderson mine, where the Australian deep lead system is being tested, will proceed. This has been yielding coarse gold at the rate of 100 ounces weekly. A steam pump is keeping the workings dry in the meantime. The company plans to operate on a larger scale than formerly as soon as the programme now under way is completed, according to Ian C. Sanderson, managing director. Major D. Campbell Mackenzie continues in direct charge.

Milk in Butter

A federal report on the dairy situation in Canada notes that last year 83 per cent of the milk used for butter and cheese and 33.5 per cent of the total milk production of Canada went into the making of creamery butter. The cheese-making percentage was 6.9.

Mining Stock Quotations

Week Ending August 19.

Par Val.	Range 1935 High	Range 1935 Low	Company	Sales	Close Aug. 12 (or last)	High for week	Low for week	Close Aug. 19
1	.74	.38	Afton	49,990	.67	.68	.63	.67
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Par Val.	Range 1935 High	Range 1935 Low	Company	Sales	Close Aug. 12 (or last)	High for week	Low for week	Close Aug. 19
No	.12	.05	East Crest	400	.08	.08	.08	.08
No	.21	.04½	Erie Gas	.....	.04½	.....	.....	.....
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

VANCOUVER STOCK EXCHANGE

(Transaction for week to Aug. 16)

Par Val.	Range 1935 High	Range 1935 Low	Company	Sales	Close Aug. 12 (or last)	High for week	Low for week	Close Aug. 16
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OIL STOCKS

Par Val.	Range 1935 High	Range 1935 Low	Company	Sales	Close Aug. 12 (or last)	High for week	Low for week	Close Aug. 16
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DIVIDEND PAYERS

Company	Rate	Yield
[illegible]	[illegible]	[illegible]

Company	Rate	Yield
[illegible]	$2	5.40
McIntyre	2½c.	.....
McKinley Sec.	3c.	.....
Model Oils	12½c.	.....
Nipissing	$1	.....
Noranda	2c.	.....
Nor. Canada†	3c.	.....
Petrol Oil‡	12c.	8.21
Premier	80c.	8.24
Pioneer, B.C.	12+2c.	11.76
Reno	75c.	.....
Royalite	7c.	.....
San Antonio	20c.	7.49
Sisco	10c.	.....
So. Amer. Gold	30c.	.....
Sunshine	20c.	9.30
Sylvanite	40c.	10.00
Teck Hughes	8c.	7.47
Toburn	40+5c.	5.55
Wright-Har.		

†Interim. ‡Initial.

OIL STOCKS

Par Val.	Range 1935 High	Range 1935 Low	Company	Sales	Close Aug. 12 (or last)	High for week	Low for week	Close Aug. 19
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Company Earnings

Ontario Steel

Net earnings of Ontario Steel Products Co. doubled in the year ended June 30, 1935, as compared with the preceding year. Net profits were $12,908, as compared with $598. There was little change in working capital.

Payment on August 15 of a dividend of one per cent on account of arrears of dividends on the preferred shares was the first payment since June 30, 1932. In the letter to shareholders signed by W. Wallace Jones, president, and W. T. Sampson, director, shareholders are told that this payment should not be regarded as the resumption of regular declarations. Such will be entirely dependent upon future earnings of the company.

Income and Surplus Account Years Ended June 30

	1935 $	1934 $
Net earnings	70,619	34,689
Less: Deprec. reserve.	35,198	†21,983
Bond interest	9,948	12,108
Income tax reserve	4,100	50
Revenue tax	14	......
Expenses	8,124	......
Directors' fees, etc.	3,965	......
Bad debts w/o	5,372	......
	3,898	598
Add: Rev. from invest.	9,210	......
Net profits	12,908	598
Add: Previous surplus	48,453	32,378
Pension fd. res.	34,581	......
Investment reserve	......	16,940
Inc. tax adjust.	125	1,413
W/o investment	2,329	......
Balance carried fwd.	93,288	48,453

†Includes depreciation of $9,318 on buildings and $12,665 on plant and machinery.

Working Capital

	1935 $	1934 $
Current assets	388,103	384,862
Current liabilities	35,885	24,987
Working capital	352,218	359,875
Ratio	10.81—1	15.40—1

M. & O. Paper Co.

Despite improved sales and operating profits, Minnesota and Ontario Paper Co. suffered a total loss of nearly $2 millions in the six months ended June 30, 1935. The loss in the same 1934 period was less than $1.7 millions. Loss of $659,000 on capital assets is chiefly responsible for the greater loss in the 1935 half year. After payment of what interest was actually met, a comparatively small balance was earned toward unpaid bond interest. This charge and depreciation and depletion and other provisions swelled the loss. Working capital increased because the items which built up the greater part of the loss were actually not paid in cash. Before allowing for depreciation and depletion, the company earned 18 per cent of the total interest charges for the period. This poor showing is still a major improvement over the 1934 period when only 3.3 per cent of interest was earned. Comparative figures follow:

Cons. Income and Surplus Account (Including National Pole & Treating Co.) For Six Months Ended June 30

	1935 $	1934 $
Sales (incl. rly. rev.)	5,599,768	4,919,808
Less: Cost of sales	4,295,831	3,792,401
Gross profit	1,303,937	1,127,407
Less: general exps.	1,143,198	1,116,316
Operating profit	160,739	11,091
Add: Other income	63,255	28,544
Total income	223,994	39,635
Less: Int. pd. on notes	6,000	9,060
Int. pd on funded debt of subsidiaries	63,190	64,621
Other int. pd.	4,504	4,934
Balance	150,300	†38,970
Less: Bond int. unpaid	1,048,410	998,190
Other int. unpaid	109,229	109,231
Depreciation	380,963	379,609
Depletion	102,378	134,389
Amort. of disc.	10,597	11,033
Loss on cap. assets	658,943	......
Misc. debits	*160,959	3,230
Net loss	1,999,261	1,674,652
Less: Prev. surplus	18,740,230	22,452,873
Add: Res. for red. of stk.	94,300	92,788
Surplus forward	16,646,669	20,685,432

*Credit. †Debit.

Working Capital

	June 30 1935 $	Dec. 31 1934 $
Current assets	6,872,436	7,605,879
Current liabilities	1,032,990	1,571,253
Working capital	5,839,446	5,434,626

Balance Sheet Items

	June 30 1935 $	Dec. 31 1934 $
Investments	8,712,792	8,865,110
Other assets	1,446,604	1,594,804
Res. for conting.	1,399,380	1,305,080
Other liabilities	17,261,998	16,089,101

Reciprocal Trade Considered Far Off

Reciprocal trade agreements between the United States and Canada are considered unlikely by Harper Sibley, president of the United States Chamber of Commerce. In Mr. Sibley's opinion agricultural opposition to such arrangements as would permit lower tariffs on farm and ranch products entering the States is sufficiently strong to make their adoption very doubtful.

He predicts heavy corn and feed crops in the United States this year, indicating that next year meat shortages would be no more and that as a consequence markets would be weakened.

N. B. TOURIST TRADE REGISTERS INCREASE

U. S. Tourists Up to End of July Number More Than Last Year

From Our Own Correspondent

MONTREAL. — Tourist automobiles entering New Brunswick from the United States this year up to the end of July registered an increase of 5.37 per cent in number over that reported for the same period a year ago.

According to figures received from 27 ports of entry from the United States the number of cars entering this year was 425,660, while the corresponding number in 1934 was 403,958. According to customs classification the number of "short stay" cars has been increased by 23,683 from 380,809 last year, and the number of so-called tourist automobiles has decreased from 23,149 to 21,168.

This decline is accounted for by the fact that last year cars admitted to the province for periods not exceeding 24 hours were considered as "short-stay" cars and those admitted for periods exceeding 24 hours and not more than 60 days were classified as tourist automobiles, whereas this year, according to changes in the customs requirements, a car admitted for a period of less than 48 hours is considered a short-stay car, not requiring a tourist permit, while those in the province for more than 48 hours are classified as tourist automobiles.

NET GAIN $992,024 FOR SASKATCHEWAN

Budget Position Shows Surplus Compared With Deficit in 1934 Quarter

Net improvement in Saskatchewan's budget position for the first three months of the current fiscal year was $992,024, according to a statement by Premier J. G. Gardiner. In the three months to July 31, receipts exceeded expenditure by $560,023, whereas in the same 1934 months there was an excess of expenditure of $432,000.

Revenue increased $800,000 in the three months including gains of $155,000 and $140,000 respectively in gasoline and motor license taxes. Figures for the three months are:

Receipts	$4,116,886
Expenditures	3,556,862
Surplus	560,024

Halifax to Saint John Air Route Contemplated

MONTREAL. — Consideration is now being given by Canadian Airways Ltd. to the establishment of an air service next spring between Saint John and Halifax.

Under present transportation methods it requires about ten hours of travel between the two points, but by aeroplane the distance can be covered in a little less than an hour.

If traffic possibilities warrant the move, it is proposed to inaugurate a daily two-way schedule, so that a business man could fly from one city to the other, transact his affairs during the day and fly back to his home the same day.

Accept $636,157 Tender For Ottawa P.O. Heating

Tender of A. W. Robertson, Ltd. for $636,157 for the installation of a differential heating system for the Ottawa Postal Terminal Building has been accepted by the Dominion government. The work is being undertaken for the Minister of Public Works under the Supplementary Public Works Construction Act, 1935.

Metal Prices

New York—Aug. 20—
Copper: Electrolytic spot and future, 8.50.
Silver: 65⅝c.

London—Aug. 20—
(Long Ton)—
Copper: Electrolytic spot, £36 10s; future, £37. Standard spot, £33 5s; future, £33 12s 6d.
Tin: Spot, £223 5s; future, £215 15s.
Lead: Spot, £16; future, £16.
Zinc: Spot, £14 17s 6d; future, £15 2s 6d.
Gold: 140s 1d.
Silver: 29d. per ounce.

Canada—Aug. 20—
Gold: $34.99.

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Mining Concerns Newly Formed

Colonial Gold Syndicate Ltd. — Que. Incorp., June 26; H. O., Montreal. Author. capit. $125,000, par $25.

Handy & Harman of Canada Ltd. —Ont. Incorp., July 15; H. O., Toronto. Author. capit., $100,000, par $1.

Kotter Gold, Ltd.—Ont. Incorp., July 14; H.O., Toronto. Author. capit., $40,000, par $1.

Leitch Gold Mines Ltd. — Ont. Incorp., July 23; H.O., Toronto. Author. capit., $3,000,000, par $1.

Mac-Ryan Enterprises Ltd.—Ont. Incorp., July 24; H.O., Toronto. Author. capit., 10,000 shs., n.p.v.

Primrose Exploration Co. Ltd.— Ont. Incorp., July 19; H. O., Ottawa, Ont. Author. capit., $250,000, par $1.

Charter Surrendered

The Buffalo Mining Co. Ltd. — Ont. Incorp., Aug. 16, 1905. Charter surrendered Aug. 19, 1935.

The Cobalt Reduction Co. Ltd.— Ont. Incorp., Oct. 8, 1913. Charter surrendered Aug. 19, 1935.

The Keely Silver Mines Ltd. — Ont. Incorp., June 22, 1922. Charter to be surrendered Aug. 26, 1935.

Vipond Consolidated Mines, Ltd. —Ont. Incorp., July 17, 1922. Charter to be surrendered Aug. 26, 1935.

Bulolo Gold Output Records Gain in July

From Our Own Correspondent

MONTREAL. — Bulolo Gold Dredging report gold production in July at 10,847 fine ounces, which compares with 9,061 fine ounces in June and 10,691 fine ounces in July, 1934. Estimated net working profit in July is shown at 7,645 ounces, which is equivalent to $262,575 with gold at $35 per ounce in Canadian funds. In June net working profit was estimated at $208,180, and in July, 1934, at $285,635.

Four dredges were in operation during the month and handled 968,000 cubic yards, compared with 930,000 cubic yards dredged in June.

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Building Stones of Nova Scotia

The building stones of Nova Scotia are chiefly sandstone and granite.

The various grades of sandstone are supplied almost entirely from the Upper Carboniferous. The principal quarries occur at Amherst, Wallace, Joggins, River Philip, River John and Merigomish.

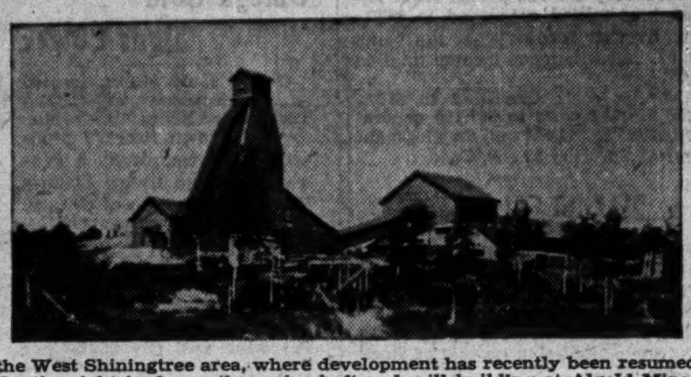
Granite occurs along the Atlantic shore in almost every variety and texture. The quarries of Shelburne, Queens, Annapolis and Halifax yield handsome varieties. Building granite is found at Erinville, Antigonish County and Queensport, Guysboro County.

Lower Carboniferous limestones occur abundantly in every variety of texture and composition. The stone at present is used chiefly as flux for open-hearth furnaces, lime, agricultural limestone, and in the manufacture of sulphite pulp, but it merits more attention for building purposes than it has yet received. At some points in Cape Breton the limestones are metamorphosed into marble and may prove of commercial value.

Inquiries are solicited.

Honourable Michael Dwyer
Minister of Public Works and Mines
Province of Nova Scotia
Halifax, Canada

Youngsters in N. W. Ontario



Northwestern Ontario's various mineral fields are continuing the activity started early in the spring, with the result that by this fall, many a young property is expected to find itself well on the road to production. Above left, is shown a view of the shafthead and small milling plant at Churchill Mining & Milling Co., one of the better known prospects in the West Shiningtree area, where development has recently been resumed. On the right is shown the main shaft and mill building at Algold Mines, in the Goudreau Lochalsh field of Algoma. Officials report that the 50-ton mill will be ready for operation on completion of further development, now under way.

BONANZA CACHE FAILS TO EXCITE GOV'T ENGINEER

Report Contrast to Letter of Energetic Promoters

As a result of an intense publicity campaign which reached all parts of the Dominion, Hon. G. S. Pearson, Minister of Mines in British Columbia, has authorized the preparation of a special report on the properties of Bonanza Cache Gold Mines. The report, a copy of which has been forwarded The Financial Post, was made by B. T. O'Grady, resident Government engineer for the district.

On the whole, Mr. O'Grady's report is in sharp contrast to the glowing promises held out for this operation in circulars issued by a Vancouver brokerage house. Readers of The Financial Post will recall that some weeks ago the lack of definite information in these circulars was pointed out in the columns of this paper. The government engineer states that he took a number of samples in the "Bonanza Cache" workings and reports exceeding low values or none at all. At the time of his report, this section of the company's property was the only one being actively worked. "The quartz occurrences, slightly mineralized with iron sulphides at some points, are indefinite and lack continuity," the engineer states.

A lens which has been explored by a drift from the exploratory adit crosscut was sampled by Mr. O'Grady. One sample representing selected quartz, assayed gold nil; silver nil. Another sample assayed gold .10 ounces per ton; silver .02 ounces per ton. This latter sample was selected from an indefinite patch of mineralization at 1,000 ft. in from the portal.

Values Uncertain

"Owing to the lack of definition or continuity of the lenses in the widely separated 'A,' 'B' and 'C' workings, and the folding of the flat-lying argillites in the Noel crosscut, it is not evident to the writer what results might be looked for at the deep horizons. Other lenses might be encountered," Mr. O'Grady reports. He adds that their possible interest would be indicated by the values, comparatively low, found in the lenses explored by the upper workings.

No Vein Structures

Similar lack of enthusiasm is noticeable in Mr. O'Grady's dealing with the Golden Cache, Morning Glory and Marygold group.

"In the area examined," states the engineer, "the character of the deposits can be summarized as consisting of elongated lenses and stringers of quartz conforming in strike and dip with the argillites. No definite fissuring or vein structure was noted."

The report deals at some length with the general conditions of the countryside and with much effect from a report of the Minister of Mines for 1897. In this old report it is stated that at the time returns from several hundred tons treated in the stamp mill were disappointing, or very much lower than was anticipated by the owners, the returns for 755 tons first crushed being about $4.45.

Grab Samples from N. W. Ont.

In the Mine Centre area, 190 miles west of the Lakehead on the Canadian National Railways, progress is being made with a small crew employed on the Pacific prospect of South Vermillion Gold Mines, successor to Vermillion Lake Shore Syndicate. A power plant is being installed, and a two-compartment shaft is down about 60 ft. A large programme of stripping and test-pitting has previously been carried out to show a vein of high-grade aspects, which is stated to return an economic average over work done, and which will be tested at depth, together with other vein occurrences which have been indicated. Objective of the shaft is 250 ft.

* * *

Algold Values Erratic

Values encountered in drifting on the 200-ft. level at Algold Mines, Goudreau, are somewhat erratic, and it is proposed to bulk sample the work in a mill. The property is equipped with a small Straub mill which would be suitable for this purpose, and the 50-ton ball mill is also ready to operate. It has not been decided as yet which method will be used. Should the larger mill be used, greater revenue would accrue, which would assist in development. While some fairly high values have been enjoyed in recent work, it is difficult to establish averages as there is quite a lot of free gold interlaced in the vein quartz.

* * *

Ardeen Drilling Plans

Some delay has been encountered in the lateral diamond drilling programme at Ardeen Gold Mines, through mechanical replacements, but the work is now under way and results will be available shortly from the first hole. It is proposed to drill at least two lateral holes northward in an effort to intersect parallel vein occurrences indicated on surface, the holes being run out from the 375-ft. level. Meanwhile, a drive on the No. 2 vein at the 1,000-ft. level has progressed some 20 ft. at the week-end, values of $24.70 per ton being reported over a 3.5 ft. width. It is a matter of interest that current drifting at this lowest level is showing measurable improvement over upper horizons, both as to widths and values; two rounds per day are being blasted on two faces, with 30 men working on two eight-hour shifts.

* * *

Algoma Gets Machinery

A new electrically driven compressor has been installed at the McCarthy-Webb property of Algoma Summit Gold Mines, and other electrical equipment is arriving for early operation by power recently brought to the property by Great Lakes Power Co. Pending the change over from Diesel and gasoline power to electric operation, the test mill has been closed down.

* * *

Copper Stirs Interest

There is a stir of interest and increasing activity surrounding the copper discoveries on the shores of Lake Superior in the vicinity of Pancake Bay and Mamainse Point, north of Sault Ste. Marie. Intermittent prospecting has been carried on in this area with rich copper discoveries well authenticated since Indians fashioned weapons and tools long prior to the advent of European explorers. Mining was done by others as early as 1847, again in 1856-58 by the Montreal Mining Co., and again by two companies under Capt. H. Tretheway in 1882. The most extensive work of later years was by Calumet and Hecla Mining Company in 1906-08. Results of work in the last year have attracted important mining interests, who are examining certain properties in the area at this time.

* * *

Sal D'Or Ambitious

Overcoming the handicaps of remoteness from rail transportation and lack of low-cost electric power enjoyed by other operators in the region, one of the earlier discoveries of "Tom" Bathurst in Patricia District is developing into a gold producer of some importance. Holding extensive acreage in the Grace Lake section, some 90 miles north of the Canadian National Railway, Sol D'Or Gold Mines' current development campaign aims at increasing present mill capacity of 25 tons daily to double that output. The prospect has been worked intermittently since discovery during the rush into the Woman Lake country years ago, with scope increased in the last two years, and several gold-bearing veins have been opened up.

Harwood Lake Mines Resumes Operations

From Our Own Correspondent

SUDBURY.—After a lapse of several years, work has been resumed in exploration of the holdings of Harwood Lake Mines, in the West River area. The property consists of 18 claims, 720 acres, located in timber berth No. 90, about one mile east of Bousquet Gold Mines.

With respect to previous operations, an official statement says three well-defined veins were located and exposed for distances varying from 500 to 800 ft. A number of test pits were put down. An engineer's report states that the Harwood Lake property lies along the same break as McMillan, Majestic and Bousquet, and is geologically identical.

Harwood Lake Mines is capitalized at 3,000,000 $1 shares, with 1,000,000 issued, according to latest data available.

GOLD PRODUCTION FIRST SIX MONTHS JUMPS 5 PER CENT

June Output of 285,772 Ozs. Highest on Record

Canada's gold output in June touched a new monthly peak, according to a bulletin issued by the Dominion Bureau of Statistics. Production for the month totalled 285,772 ounces as compared with 269,238 ounces in the previous month and 240,279 ounces in June, 1934. The previous peak month was June, 1932, when 270,652 ounces of gold were produced.

Production during the first six months of the current year was 5.6 per cent higher than in the first half of 1934, amounting to 1,518,177 ounces as compared with 1,437,349 ounces in the 1934 period.

Indications are that production in the current year will exceed that of the peak year of 1932 when 3,044,387 ounces were produced. The larger output during the first six months of the year has been due to the increase in the number of producers which are turning out bullion. A further increase in production should be recorded during the next six months. A number of companies were producing only for a small part of the period, and others are scheduled for production in the near future. Several plan stepping up mill capacity.

June production from Ontario sources amounted to 195,191 ounces, made up of 84,039 ounces from Kirkland Lake, 82,256 ounces from the Porcupine area and 28,896 from other sources. Quebec's gold output advanced to 40,650 ounces in June from the May total of 36,166 ounces.

Production from British Columbia in June rose 7.4 per cent to 31,210 ounces, the May output being 29,050 ounces. Manitoba and Saskatchewan producers report an output of 13,541 ounces. Alluvial production in the Yukon totalled 4,298 ounces and shipments from Nova Scotia 882 ounces.

Gold quotations in June averaged $35.05 per ounce in Canadian funds. Valued at this price the Canadian output in June was worth $10,016,309. The May average price was $34.95 per ounce and the computed value of the month's output was $9,409,599.

Canada's gold output by months from January, 1933, to May, 1935, is as follows:

	*1935 Ozs.	1934 Ozs.	1933 Ozs.
January	238,651	231,804	234,359
February	229,340	223,753	229,145
March	249,479	250,653	261,197
April	245,697	229,735	237,970
May	269,238	261,125	238,603
June	285,772	240,279	262,460
July		246,145	256,663
August		265,560	257,607
September		244,777	236,526
October		265,709	244,212
November		250,596	241,928
December		261,938	248,639
Total—Calendar Year		2,972,074	2,949,309
Total—Six mos. end. June	1,518,177	1,437,349	1,463,734

*Subject to revision.

Leitch Gold Mines Launches Drilling

From Our Own Correspondent

SUDBURY.—Following encouraging results from diamond drilling on the holdings of Sand River Gold Mines, near Beardmore, a drilling campaign is now under way on the adjoining property to the east, under exploration by Leitch Gold Mines, recently incorporated. Advices from official sources state that two holes have been completed, the first cutting a two-ft. quartz intersection at a vertical depth of 160 ft. as well as a narrow section of only six inches.

No. 2 hole encountered several vein intersections approximating seven ft. wide, at a vertical depth of 70 ft., the core showing visible gold.

Like the Sand River showings, the discovery on the Leitch was originally opened up by Russell Cryderman, of Sudbury.

Leitch Gold Mines is controlled by the Springer Sturgeon Gold Mines. Karl Springer is president, and directors are Russell Cryderman, president of San River Gold Mines, and H. A. Leitch, of Port Arthur. H. J. Mackey is secretary-treasurer, and Springer Sturgeon is to nominate another director.

Ore Receipts at Trail Amount to 11,268 Tons

Receipts of ore and concentrates at the Trail smelter of the Consolidated Mining and Smelting Co. of Canada for the week ended August 14 totalled 11,268 tons. Of this amount, 289 tons was made up of concentrates. Ore from the company's own mines totalled 10,343 tons and from other mines 636 tons.

A detailed statement of shipments is as follows:

Name of Mine	Tons
Cliff	57
Cub	7
Dundee	118
Evening Star	56
Formo	59
Hattie	9
Hewitt	7
Highlander	5
Highland Lass	50
Keystone	80
Lucky Thought	17
Mammoth	18
Paladora	40
Wellington	60
Yankee Girl	53
Goodenough (concentrates)	62
Jenny Long (concentrates)	6
Mammoth (concentrates)	140
Meridian (concentrates)	81
	925
Company's mines	10,343
Total	11,268

NEW PRODUCERS OBTAINING POWER CANADA NORTHERN

Look for Further Increase as Mining Activity Grows

Canada Northern Power Corp. is negotiating several new contracts for the supply of power to new mining properties now reaching the production stage, according to an official announcement.

Although the company's power load has shown a consistent increase every year for the past ten years and its output at the present time is about 10 per cent higher than a year ago, a further increase is looked for as a result of new mines being brought into production and the enlargement of operations at others. The increase in the company's load is almost entirely due to the increase in mining activity.

Larger Power Demand

Additional milling and hoisting equipment, which will increase existing power demands, is now under construction at Lake Shore, Wright-Hargreaves, McIntyre and Dome Mines, while in the Quebec field the new 125-ton mill at Arntfield Gold Mines has been placed in operation. Mill extensions at Beattie, Lamaque and Canadian Malartic should also result in substantial increase in power requirements, the official announcement states.

Asked what effect the proposed construction of a hydro-electric plant by Noranda Mines would have on Northern Canada Mining Corp., an official of the latter company stated that the Noranda contract does not expire until May 1, 1938. Should the contract not be renewed the loss of this customer's contract would affect the net earnings of the company by not more than $100,000 per annum. By 1938, however, the development taking place in the Quebec mining area should result in Canada Northern securing additional power load from new and existing mines which will more than offset the loss sustained if Noranda is no longer a customer, he pointed out.

On the NIPIGON...

I had picked the spot myself and it looked like a natural for speckled beauties, but after casting most of the morning I found that all I was getting out of it was exercise. The expression on my Indian guide's face was somehow familiar. I couldn't place it at first, but in a flash it came to me. It was the same look my caddy so often wears.

Then I had an inspiration: I handed him a Bachelor. So we moved upstream a half mile and the lovely, slippery ones fairly leapt into my basket.

The early traders used to bribe the Indians with beads and kind words, but the Indian of today is a different gent. He has acquired a sense of values. I bribed my guide with Bachelors. And the kind words came from him.

Perhaps he too felt along with me—that it's good to get back to a ten cent cigar.

WILSON'S **BACHELOR** Cigar
10¢
100% Havana Filler

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